



Last year's expenditure plans awry

Public expenditure in the present financial year, at £55,707m, is expected now to be 3 per cent higher in real terms than planned a year ago, the Chancellor, Mr Healey (above), disclosed yesterday. Spending in 1976-77, at £57,094m, will be 21 per cent higher than this year and 41 per cent higher than planned a year ago, both in real terms. In 1978-79, at £57,702m, it will be 1.7 per cent higher than planned last year. Details of the proposals were as follows:

More for industry

Individual programmes have been cut by gross totals of £2,000m in 1977-78, and £3,000m in 1978-79. Industrial spending to be increased, however, by nearly £500m in each year and social policy spending by £300m in 1977-78.

Spending ratio down

The ratio of public spending to national output will fall from 60 per cent now to 53 per cent in 1979-80 if output rises by 41 per cent a year from 1975.

Debt interest

Expected to cost an extra £1,750m in the coming year and an extra £3,300m in 1978-79, making a total in that year of £7,500m.

Taxes

Income tax rates, on certain assumptions, will have to rise by 2 to 6 per cent to pay for the Chancellor's plans.

Defence

Defence spending, at £5,559m, will be £198m lower in 1978-79 than planned a year ago. Contributions to Nato will be unaffected. 10,000 civilians to go, page 4.

Education

Education spending, at £7,080m, will be £618m less in 1978-79 than planned a year ago. Unions accuse Government, page 4.

Roads

Roads and transport spending, at £2,085m, will be £506m lower in 1978-79 than planned a year ago. Details, page 4.

Housing

Housing spending, mainly subsidies, will be cut in 1978-79 by £310m; but new house building is protected. Priority for housing, page 4.

Food subsidies

The rundown of food subsidies is accelerated to save an extra £290m in 1978-79. Details, page 4.

Civil Service

Civil Service staff costs will be cut by £50m in 1977-78 and £140m in 1978-79. Unions "shocked", page 4.

Cash limits

Cash limits control of spending will extend to three-quarters of central government spending.

Land tax

The exemption level at which the planned development land tax will begin to be levied to be raised from £5,000 to £10,000 and, until March, 1979, the first £150,000 of development value realized above that limit will be charged at 65 per cent instead of the 80 per cent planned.

Parliamentary report
Profile of bankruptcy
Leading article
Business News

Public spending to rise in next four years despite programme cuts

The Government's public expenditure White Paper, published yesterday, shows substantial increases in spending plans for each of the four years ending 1978-79, and gives a warning that "some rise in the

burden of taxation is likely to be required". Big increases in debt interest costs have more than cancelled out all the heavy cuts in direct-spending programmes which had been approved by the Cabinet.

Some increase in tax burden likely

By Peter Jay
Economics Editor

The Government's spending plans for each of the four years from 1975-6 to 1978-9 covered in last year's White Paper on public expenditure have been substantially increased in its successor published yesterday.

The extra spending, which is in addition to the allowance made for the effects of inflation since last year, is about £2,000m in 1976-77, about £2,250m in 1977-78, and just under £900m in 1978-79.

In consequence, the White Paper explains, "some rise in the burden of taxation is likely to be required" over the years to 1980. The Chancellor of the Exchequer estimated yesterday that, if the whole extra burden was concentrated on income tax after maintaining personal and other allowances at their present real value, the rates of tax would have to be increased by between 2 and 6 per cent.

Enormous increases in debt interest costs have more than cancelled out the whole of the heavy cuts of £1,034m in 1977-78 and of £2,414m in 1978-79 in direct-spending programmes which the Cabinet have approved.

The Chancellor explained yesterday that, but for those cuts, the required increase by 1980 in income tax rates, on the same assumptions as the 2 to 6 per cent rise actually foreseen, would have been between 10 and 14 per cent. That would have brought the basic rate of income tax (now 35 per cent) together with the basic graduated pension contribution (now 6 per cent) to more than 50 per cent.

The completely unexpected outcome of the most searching review of public spending ever made, with which the Cabinet has been wrestling since the late summer, is caused entirely by a huge increase in the estimated cost of servicing the National Debt. The Treasury now estimates that the cost, at today's value of money, of paying interest to people at home and abroad who have lent money to the Government has gone up, compared with the estimate a year ago, by £450m, in 1975-76.

White Paper finds no friends on the back benches

By Our Political Staff

Although no firm date has been set, Mr Short, Leader of the House of Commons, hinted yesterday that there will be a debate on the public expenditure White Paper the week after next. He came under strong pressure from Mrs Thatcher for the Government to allow two days, but that too remains to be settled after discussions between party managers.

Members on both sides of the House quickly reacted strongly to the document. The Conservative finance committee will discuss the cuts at a special meeting in the House next Tuesday, and last night the Parliamentary Labour Party was called to a special meeting next Wednesday.

At first reading, the White Paper seemed to have no friends on the back benches on either side to proclaim its merits; and it soon showed that the PLP will be extremely hostile when the Chancellor faces it next week.

Sir Geoffrey Howe, the Shadow Chancellor, said the White Paper was a devastating admission of the Government's huge mistakes in the past two years, coupled with an obstinate refusal to correct them until much too late. That was the central message: "Mr Healey has condemned his own performance in the very language that Mrs Thatcher and I have been using."

Soaring public expenditure and crippling taxes had been the inevitable consequence, Sir Geoffrey continued, of the false hopes raised by Labour propaganda over the years, most of all in the two elections of 1974. The only means of restoring and maintaining full employment was by reining back on public expenditure so that industry might thrive again.

Next year, as well as this, the Government was still planning to spend even

by £1,750m in 1976-77 by £2,700m in 1977-78 and by £3,300m in 1978-79.

Those huge increases, which mean that debt interest will by the end of the decade cost between a quarter and a half more than big spending programmes such as defence, education and health, have been caused partly by the enormous Budget deficits of nearly £12,000m in the present and coming financial years. They are also partly caused by the assumption that lower rates of inflation from now on will erode the real cost of debt interest more slowly than seemed likely a year ago.

When allowance is made for the resources needed to restore the balance of payments, to sustain a recovery of private investment and to satisfy the demands of the public sector, as now planned, almost nothing is left for any increases in earned living standards. Even if national output rises at 3 per cent a year from 1975 to 1979, the available increase in what the Treasury calls "privately financed personal consumption" would be barely 0.5 per cent a year measured from 1974.

The Chancellor yesterday was making play of the fact that no substantial increase in spending is planned beyond the financial year 1976-77, which begins on April 1. But spending in that year is planned to be 21 per cent above this year's total (itself already 3 per cent above last year's estimate) and 15 per cent above the level in 1973-74 when the Government came into office.

Those increases are, again, in addition to the effects of inflation, and represent the increase in the public sector's real claims on national resources.

The main increases since last year's White Paper in planned spending in the coming financial year, apart from debt interest, are £578m on trade, industry and employment policies and £464m on social security. Of the financing, the National Enterprise Board accounts for £225m, and launching the British National Oil Corporation accounts for £250m.

The increase in social security is due to uprating of benefits to keep pace with inflation; and the Government now intends to legislate to tie

more than it intended a year ago. The tax burden, already far too high, would continue to increase. The Government admitted that.

Labour was planning to push Britain still further into debt: "Borrowing will have grown so much by 1979 that all the money that may have been saved by pruning spending programmes will be swallowed up in paying extra interest to the tune of more than £3,000m."

Mr Brian Sedgemore, speaking for a group of left-wing Labour MPs, said: "Like Dresden after the bombing, the Treasury's economic strategy lies in ruins and despair; first falling living standards, then rising unemployment, and now a massive and shattering cut of £2,959m in public expenditure by 1978-79."

"Concentrated as they are on education, housing and environmental services, health and personal services, public transport subsidies, and capital expenditure in the nationalised utilities, these cuts represent a fundamental shift of wealth and power away from the working people and their families."

"This soiled White Paper, which should be consigned to the dustbin of history as soon as possible, is perhaps best characterized by the particularly mean proposal to increase school charges by 20p in September as a first step towards further increases."

"This White Paper proves, if proof were needed, that our Labour Government is being coerced by the Tory establishment into carrying out wholly unacceptable policies."

"The new monetarists in the Cabinet are now singing the same battle hymn as the old monetarists in the Shadow Cabinet: we should not allow these things to pass."

Tribune group criticism, page 4

upratings to the movement of earnings.

One of the difficulties of the past 12 months has been that the spending departments in Whitehall have turned out to have justifiable claims on the contingency reserve that exceed the total provision made last year. A new system is being instituted to monitor claims on the contingency reserve so that a potential excess can be identified early and compensating savings found elsewhere in government programmes.

In 1978-79, the main year on which ministers have concentrated in their review of spending programmes, the main cuts against previously planned spending which have been needed to make partial room for the huge increase in debt interest are £520m off education, £500m off road building and transport, £310m off housing subsidies, £290m off food subsidies, £220m off "other" environmental services, £190m off the defence budget, £150m off personal social services, £110m off law and order services, including the fire service, and a £140m across-the-board cut in Civil Service numbers and costs.

The White Paper maintains that the ratio of total public expenditure to national output, which rose from 50 per cent to about 60 per cent between 1971-72 and the present financial year, will fall to 53 per cent in 1979-80 if the Government keeps to the new spending plans, and that if national output rises by 41 per cent a year from 1975.

Direct government spending on goods and services, which was 31 per cent of national output in 1971-72, will fall from 35 per cent now to about 28 per cent by the end of the decade.

At the same time cash grants, loans and benefit payments, which were equivalent to 19 per cent of national output in 1971-72, will fall from 26 per cent now to 24 per cent in 1979-80. The Treasury refers to the possibility that the Government's industrial policies may achieve a faster growth rate than the 41 per cent from 1975 assumed in those calculations, though the main effect will be "take time".

Public expenditure to 1979-80 (Cmnd 6393, Stationery Office, £1.80).

VAT chaos leaves big shortfall

By Our Political Staff

A chaotic state of affairs in the method of inspecting value-added tax accounts was reported to Parliament yesterday by Sir David Pibb, the Comptroller and Auditor General.

In the Appropriation Accounts for 1974-75 he said the Customs and Excise Department estimated that about £100m due on March 31 last year was still outstanding by the end of July.

There was, he said, insufficient examination of traders' records to ensure an adequate check on the collection of VAT. His report is intended to draw Parliament's attention yet again to the continuing large proportion of defective returns received from traders, the department's inability to implement any material improvement on credit checks in 1974-75 compared with those in 1973-74, and the continuing shortfall in the planned number of control visits for examination of traders' records.

Sir David says that when he tackled the department on that question "they informed me that they were continually seeking to improve the system and that, with the benefit of hindsight, they recognized that some of the changes now proposed could have been introduced at an earlier stage".

They considered, however, that the progress achieved was "at least adequate in all the relevant circumstances".

Some of the report points out that the administration of VAT, Continued on page 4, col 3

Frank Stagg body is withheld by police

From Michael Horsnell
Shannon

The funeral of Frank Stagg, the IRA hunger striker, turned into a macabre fiasco yesterday after the Irish Government stepped in to prevent the military-style funeral planned by republicans. Police were holding the body last night in a mortuary at Shannon airport. The aircraft carrying it from England was diverted there from Dublin on government instructions.

Many republicans and members of the Stagg family were involved in confrontations with the police outside the mortuary at the cargo terminal and troops stood by. But the Government refused their demands to release the body unless they agreed to make it quietly for interment in Co Mayo.

Statewide followed when Mr Rory O'Brady, president of Sinn Féin, insisted that the body should be taken back to Dublin for a two-day procession and military funeral at the weekend.

As the scheduled cargo aircraft carrying Mr Stagg's coffin was preparing to take off early yesterday from Heathrow Airport, London, Aer Lingus ordered it to be diverted from Dublin under government instructions.

A government statement said the move was made for security reasons and to prevent "subversives" exploiting the situation.

The order left Sinn Féin leaders waiting dumbfounded and angry at Dublin airport. When the news was broken to them two hours later a cross-country chase followed. Several crowded cars with mourners travelled the 130 miles to Shannon in an attempt to reclaim the body.

It became clear yesterday that the elaborate plans to prevent the funeral were prepared at a meeting of the Irish Cabinet earlier in the week when security was high on the agenda.

When relatives arrived in Dublin on Wednesday night Mrs Bridie Stagg, aged 27, the widow, pointedly ignored the welcome by republicans and went over to waiting Irish Special Branch officers. It seemed clear she knew then of the arrangements and spent the night away from the rest of the family in Dublin.

Legal moves were being taken by republicans last night to prevent the body from being placed at the funeral taking place as originally planned were described as "bleak".

After lengthy but fruitless discussions at Shannon with Chief Superintendent John McMeekin of the Irish Special Branch in Dublin, Mr O'Brady added: "The Government has forcibly taken control without acquainting us".

The outwitting of the Provisional IRA has clearly enabled the Government to prevent the Irish national airline. The aircraft arrived at Shannon with two Irish police officers on board and the body was not cleared from customs.

Shortly afterwards Mr George Stagg, a brother of the dead man, who accompanied the coffin, was held by the police at Ennis, near Shannon, under the Offences against the State Act, but released after two hours.

Anger in Ulster, page 2

Tobacco chief defends £20,000 rise in salary

Sir Richard Dobson, the retiring chairman of British-American Tobacco, had a salary increase last year of almost £20,000, equivalent to a 50 per cent rise, the company's annual report reveals.

His pay for the past financial year went up from £38,636 to £58,125 and other key directors on the main board achieved similar percentage increases.

Sir Richard, who steps down as chairman at the end of next month, said yesterday he felt that BAT salaries had lagged unreasonably behind those in other big groups.

About 18 months ago there had been 43 people in the group earning more than him at the gross level. "I still don't think it was unreasonably high," he added.

Iceland breaks links with Britain as cod war intensifies

By David Spanier
Diplomatic Correspondent

Iceland broke off diplomatic relations with Britain yesterday, because of the continuing dispute over fishing limits. The decision was first given to Mr Kenneth East, British Ambassador in Reykjavik, in a telephone call at midday, and then formally transmitted to the Foreign Office in the afternoon by Mr Helgi Agustsson, the Icelandic Charge d'Affaires.

Mr East is expected to leave in a few days. As it happens he is somewhat handicapped in packing up because of a general strike in Iceland which, among other things, has paralysed the airport. Although the British Embassy, with a staff of six, will remain open, the French Embassy will represent British interests in Iceland from now on. There are about 130 Britons in Iceland, Norway will look after Icelandic interests here.

The Foreign Office expressed regret at the Icelandic Government's decision yesterday, which was of course expected, but reiterated British willingness to seek a negotiated settlement or accept mediation.

By its action, the Icelandic Government was once again escalating the dispute, the Foreign Office said, and cutting off the direct channel of negotiation.

This is the first time, it was noted with regret in London, that a member of Nato has broken off relations with an ally. The latest clash at sea is

also the first occasion in the cod war when a British seaman has been injured.

Any damage to Nato co-operation will be kept to a minimum so far as Britain is concerned. There will be no objection to sitting in at meetings with Icelandic staff or any other military activities involving Iceland. As for the base at Keflavik, it was hardly ever used by British aircraft.

Meanwhile, the cod war is likely to continue through the winter. British trawlers will observe their policy of voluntary restraint limiting the annual catch of cod to 85,000 tons.

In the spring, the dispute is likely to extend to the European Community. West Germany's recent agreement with Iceland will lapse if any other Community country is in disagreement with Iceland. Iceland's tariff concessions for frozen fish, negotiated with the Community as a whole, which have never come into force, will remain in abeyance.

Whether this fact will lead to a wider negotiation, in which the European Community might try to mediate, is too soon to know.

Britain has said it is willing to accept mediation as a way out, but the most recent attempt by Dr Luns, Secretary-General of Nato, to promote a settlement got nowhere. For the time being, the conclusion in London is that Iceland does not want a settlement.

Fawcettman hurt, page 5

Judge criticized by two appeal courts

By Marcel Berlins

Mr Justice Melford Stevenson, many of whose decisions and remarks have attracted adverse comment, was criticized yesterday by two separate Courts of Appeal.

In one, Lord Widgery, Lord Chief Justice, said the judge had been "pressured" on a defendant into pleading guilty to charges of assault by telling him that if he persisted in pleading not guilty and was subsequently convicted he would get a very severe sentence.

In another case, before a different court, a four-year sentence passed by Mr Justice Melford Stevenson on a man for handling stolen goods was described as "beyond all reason".

Earlier this week the fees of defence counsel, which had been reduced by a third after an attack by the same judge on their conduct were restored in full, after both the Court of Appeal and the Bar Council had found that counsel had behaved perfectly properly.

In one of the appeals heard yesterday the court ordered a new trial after being told that Mr Justice Melford Stevenson had called counsel into his private room during the luncheon adjournment on the first day, after having heard prosecuting counsel open the case.

The accused man, George Cain, aged 34, of Armes Street, Norwich, had been charged with assaulting two boys, aged three

and five. Lord Widgery said that in his private room the judge told counsel that Mr Cain had no defence at all, and if he persisted in pleading not guilty he would get a very severe sentence indeed. If he changed his plea, it would make a very considerable difference.

After discussions, Mr Cain decided to plead guilty. Lord Widgery added: "It is clear that he was confused and uncertain about his course of action." He was sentenced to four years' imprisonment.

Lord Widgery said: "It is interesting to bear in mind that, from the very start, this man maintained that he was innocent, and that there was an explanation for the injuries the two boys suffered. We think that, once it becomes clear that an accused knew what the judge had advised, it is idle to say that he had a free choice."

The other appeal yesterday was against a sentence of four years' imprisonment, imposed by Mr Justice Melford Stevenson on a man for handling stolen television sets.

The sentence on Mr Graham Moore, aged 32, of Trevelick Drive, Dartford, Kent, was reduced to 12 months. Mr Justice Melford Stevenson, giving the Court of Appeal judgment, said it was "not an act of mercy, but one of elementary justice".

The sentence was imposed despite a probation report recommending a period of community service, he said. "A sentence of this length for this offence was beyond all reason."



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Wilson call for Rhodesia settlement

Mr Wilson last night accused Mr Ian Smith, the Rhodesian Prime Minister, of not having "moved an inch" since he declared independence. Speaking in a radio interview, he called on the Rhodesian leader to proceed rapidly to a negotiated settlement. Mr David Ennals, Minister of State, Foreign Office, said no British Government would commit British troops to fight in Africa on behalf of the minority against the majority. Page 6

Miners call off overtime ban

Leaders of the National Union of Mineworkers called off the overtime ban launched in opposition to the proposed closure of Langwith colliery, Derbyshire. They will seek endorsement of their decision in a pithead ballot. Page 2

Call on Ombudsmen

Sir Alan Marre, Parliamentary Commissioner for Administration, says in his final annual report that a more coordinated system of ombudsmen might be needed because of the growth of such offices. Page 3

Mercenary ban

A Foreign Office announcement that passports seized from Britons returning home from Angola would not be renewed unless they signed a declaration that they would not work as mercenaries has been challenged by the Shadow Foreign Secretary. Page 6

US oil concession

Chevron, one of the biggest American oil companies operating in Britain, has conceded the principle of 51 per cent state participation as a condition of gaining access to a possible extension of the Ninian North Sea oil field. Page 17

Oil man 'gave Mr Nixon \$50,000'

Mr Richard Nixon has been named in a Los Angeles court settlement as having accepted \$50,000 from the president of an oil company in 1968. This was disclosed on the eve of Mr Nixon's departure for Peking. Page 6

Transport costs: Details are to be announced today of the latest increases in London bus and Underground fares, scheduled for July. The average rise is expected to be a quarter. Page 2

Ferrybridge: The six members of the Electricity Supply Union dismissed from Ferrybridge C power station, west Yorkshire, will not be reinstated. Page 2

US election: Mr Jimmy Carter faces a move by some Democrats to stop his progress towards the presidential nomination. Page 5
Edinburgh: Three-page Special Report on the city as the financial centre of Scotland. Page 11-13

Leader page 15

Letters: On electing the European Parliament, from Mr I. A. R. Rogers and others; press contacts with terrorists, from Lieutenant-Colonel W. H. Silfies and Mr Tom Bowring; tension in French Somali Coast, from Mr Abdi Hajj A. Liban. Page 6

Leading articles: Public expenditure; confessions of passports. Page 6
Arts, page 7
David Robinson at the cinema; John Higgins on Verdi's Macbeth (Collegiate Theatre); William Maas on Paulist (Theatre Royal, Glasgow); Leonard Buckley on Brecht's Grandeur. Page 16

Obituary, page 16
Professor A. F. Newell, the Earl of Arforn, Mr Geoffrey Elliot, Mr James Macdonald. Page 14

Introducing social marketing, the art of selling solutions to social problems like smoking. Page 10 and 14
Bernard Levin considers the plight of the poor. Page 14

Christmas in the Soviet Union; Eric Heffer, the concept of Marxism and democracy; Caroline Moorehead interviews Irene Handl; Dr Tony Smith reports on research into breast cancer. Page 9 and 10
Cricket: County Championship programme enlarged; Rugby Union: Late change by Wales as international teams prepare for weekend games; Boxing: Prospects for Muhammad Ali and Bunty Stirling told; Sports in San Juan and Hamburg; Racing: Programmes for Newcastle and Fakenham. Business News, pages 17-23
Stock markets: There was a muted reaction to both the White Paper on spending and good figures from ICI. The FT Index closed at 396.7, a drop of 0.6. Business Diary: British Leyland's odd one. Page 16

Business features: Maurice Corina discusses the gamble taken by the Chancellor in deploying his aid for industry. Page 16
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HOME NEWS

Increase in ombudsmen might need 'more coordinated system'

By Our Political Staff

A more coordinated system of ombudsmen might be needed if the growth of such offices is not to lead to difficulties for the public, Sir Alan Macrae, the Parliamentary Commissioner for Administration, says in his final annual report.

In his valedictory remarks after almost five years in the post, Sir Alan refers to the creation of the offices of the Health Services Commissioner and the Commissioner for Local Administration, as well as the plans for Assembly Commissioners under the devolution proposals.

"The continuing spread of the ombudsman concept in this country is to be warmly welcomed," he says, before adding the reservation: "I have some doubts whether sufficient regard is being paid, in the way the developments are taking place, to the convenience of members of the public."

Sir Alan points out that with a series of such offices, a member of the public with a composite complaint could be faced with considerable procedural problems in arranging for a complete investigation.

"In the long term, it seems to me that it will be important to consider how a more coordinated system, more directly related to the interests of members of the public, can be brought about."

Sir Alan says that the number of cases brought to him has increased significantly during his term of office. The total received through MPs in 1975 was 70 per cent higher than in 1974, while the number of cases referred to him by members of the public, which had to be referred back to MPs, more than doubled.

The figures were to some extent distorted by complaints about the same subject being

Bank gang loaded shotguns with rice

Three bank robbers who loaded their sawn-off shotguns with rice so that no one would get hurt were jailed at the High Court in Edinburgh yesterday.

David Wilson, aged 24, of Lochry Avenue, Kinglassie, Fife; William Murray, aged 28, of Cameron Crescent, Glenrothes, Fife; and James Stewart, aged 28, of Greenlaw Crescent, Glenrothes, pleaded guilty to holding up the Bank of Scotland at Auchtermurder on December 15 and stealing £24,887.

Mr Murray and Mr Stewart also admitted carrying out a shotgun raid on the Royal Bank of Scotland at Keltie, Fife, on July 8 last year, when they stole £4,437.

Mr Murray and Mr Stewart were jailed for 10 years each for the two bank robberies and Mr Wilson was jailed for eight years for the Auchtermurder robbery.

Mr Colin McCaslin, advocate depute, said that when Mr Murray was charged with the Keltie robbery he said: "No harm was meant to the staff. The gun was unloaded and unable to fire, as the pin was damaged."

Mr Stewart, when charged with the same robbery, said: "It was a disaster from the start. We could not even get the bank door shut."

Motorway opens

A new section of the M62 Lancashire-Yorkshire motorway between Howden and North Cave, Humberside, was opened yesterday.

Commentary box would mean fewer seats in House
MPs are in favour of permanent broadcasting from Commons

By Our Political Staff

The House of Commons experiment in public sound broadcasting last June and July was successful and broadcasting could be arranged satisfactorily on a permanent basis, the select committee that considered the experiment stated in a report published yesterday.

They found that the predominant view of MPs was that the attempt to put the people more closely in touch with Parliament was welcomed.

It is suggested that serious consideration should be given to creating a parliamentary unit or authority to be responsible for the technical operation. The sound signal would be the property of the House, and its integrity and control will therefore be safeguarded.

Copyright, the committee notes, would need definition because the House would need

to know in what circumstances tapes of broadcasting proceedings might be used by the broadcasting authorities and made available to outside persons and bodies for specific purposes.

On accommodation for broadcasting teams, the report mentions that the broadcasting authorities had asked for a commentary box at least twice as large as that used in the experiment, and that would involve the permanent surrender by MPs of seating in the Chamber, already short of space.

The BBC said it would wish to meet the cost of maintaining a permanent Westminster operation out of licence revenues, but the IBA thought a substantial proportion of the cost should be borne by Parliament itself.

Talks in progress: Detailed discussion on the cost of the operation and the way it would be met are taking place, Mr Marshall Stewart, chief editor of Independent Radio News, said yesterday (our Arts Reporter writes). Both he and Mr Peter Hardiman Scott, of the BBC, expressed pleasure that the committee had decided that the experimental broadcasts last summer had been a success.

Mr Stewart said if the decision of the House came quickly, permission to broadcast the Budget speech on April 6, his optimism, however, was not shared by the BBC, which expressed the general view that it will not be possible to begin the broadcasts until the autumn.

First Report from the Select Committee on House of Commons (Services): the Experiment in Public Sound Broadcasting (Stationery Office, £1.15).

Action over circus sea-lions settled

From Our Correspondent

Manuscript

An action by the owner and trainer of circus sea-lions for damages against a veterinary surgeon who she said ended her poverty act was withdrawn from the High Court in Manchester yesterday, on terms endorsed on counsel's briefs.

The owner of the sea-lions, Mrs Barbara Morris, aged 47, of Florida, United States, had alleged breach of contract against Mr George Towse, aged 53, of Carr Lane, Singleton, near Blackpool, arising out of his treatment of three sea-lions

in a £250-a-week act at Blackpool Tower Circus in August, 1970.

All three animals were taken seriously ill after being given Tenoben, prescribed by Mr Towse for worms. Two of the animals died.

Mrs Morris had claimed damages for two years' loss of earnings in 1971-72 through the breaking up of her act. Her case was that Tenoben had poisoned the two animals and was wrongly prescribed by the defendant.

Mr George Carman, QC, her counsel, read a statement

yesterday in which she said she accepted that Mr Towse was a conscientious and dedicated veterinary surgeon and that the treatment given presented a difficult task. It was also accepted that the veterinary opinion was divided on the suitability or otherwise of administering Tenoben to sea-lions.

The statement added: "Mr Towse regrets the unfortunate death of the two animals and recognizes that Mrs Morris was devoted to her animals and cared for them in a dedicated fashion."

Scottish councils are wary of devolution

From David Leigh

Edinburgh

Scottish local authorities, which constitute the part of the existing Scottish political landscape most likely to be affected by a vigorous new assembly, are at best lukewarm about devolution.

The Convention of Local Authorities, which has sought the advice of every authority in Scotland, produced a policy document in Edinburgh yesterday which, if finally approved, provides a list of complaints and fears about its White Paper.

The authorities are convinced that to give a Scottish assembly power to raise extra money by a rate surcharge would be disastrous. The assembly should have separate powers to raise revenue, the convention said.

The White Paper proposes that most of the assembly's money should come from a Westminster block grant. The local authorities accept that that is probably inevitable, but they do not like it.

They expect to receive eventually most of the block grant funds to spend themselves. They point out that they will have to negotiate with the assembly to get the money, however, and believe there will be "an inevitable conflict of interest."

Competition for funds is envisaged with alarm. Most of the money should go to the local authorities, the convention says, to provide services to the community "rather than towards the financial support for an additional tier of bureaucracy."

Local government in Scotland ought not to be curtailed

and closely supervised, the authorities say: the worst outcome would be an attempt by the new assembly to reconstruct local government within the next five years, while the system is still trying to settle its feet.

There are some indications that Labour politicians in Scotland are thinking of just such a reconstruction, which the convention maintains would certainly be hasty and ill-considered.

The convention's most controversial suggestion, at a time of discount in Scotland about the delay in setting up an assembly, is that it probably ought to be postponed even further to save money. "Inevitably it will take some years of planning before the Scottish assembly can be established and operative, but in the absence of an upturn in the economic situation it is for consideration whether the implementation of the proposals should await more prosperous times."

However, the local authorities make some suggestions for a stronger assembly. They say, for example, that some law-making areas, such as marriage and licensing, could be exempt from a Westminster veto, and that responsibility for the universities, perhaps administration of the police, ought to be given to the assembly.

On development and industry, the local authorities join what is by now a chorus demanding that full control of the Scottish Development Agency should be handed over to the assembly, but they agree with the Government that Westminster should remain in charge of overall management of the economy.

George Davis campaigners are freed

The prosecution offered no evidence at Guildhall Justice-Room yesterday against three members of the Free George Davis campaign on charges of chaining themselves to the top of the Monument in London and of using insulting behaviour.

Instead the prosecution added a charge of depositing papers and leaflets from the Monument into Monument Street and defacing the street by litter.

The three pleaded guilty to that and were conditionally discharged for six months.

They were Mr Davis's wife, Mrs Rosemary Davis, aged 34, of Belton Way, Bow; Martin Walker, aged 28, a self-employed artist, of Thornhill Square, Islington; and Miss Beverly Chambers, Ashton Street, Stepney, all London.

Mr Frederick Beazley, for the prosecution, said that on October 24 last year the police saw smoke coming from the top of the Monument and leaflets falling into the street. The three defendants had chained themselves to the railings

Skeletons may be remains of immigrants

From Our Correspondent

Two skeletons found buried on a holiday beach at Weston-super-Mare, Avon, were probably the remains of two illegal immigrants who drowned three years ago after paying £1000 each to be smuggled into Britain, the police at Weston said yesterday.

Forensic scientists who spent a month examining the skeletons after they were discovered by storm at Sand Bay, thought the dead might have been close relatives because of similarities in their spinal columns. Sgt David Richards said: "I don't suspect we shall ever be able to prove it conclusively."

Three Indians were thought to have drowned in December, 1972, when their dinghy capsized as they tried to row ashore from the motor vessel Marica.

A further 36 Indians who stayed were landed in Bristol from the Marica three days later after spending five days at sea without either food or water.

Volvo enters medium car market for first time

By Peter Waymark

Motoring Correspondent

Volvo of Sweden has announced that it is entering the medium car market for the first time with a new three-door model, the 343 DL, which will be built at the former Daf plant in Holland.

The rear-wheel-drive car, which is slightly shorter than the Ford Cortina, will be powered by a 1397cc Renault engine of 70 horsepower. It will go into production late in March and will be introduced to Britain, one of Volvo's biggest overseas markets, during the 1977 model year.

The transmission is a development of the Daf gearless

automatic system and is mounted at the rear of the car. Although the first versions of the car have only two side doors, with a saloon, it is expected that five-door models will follow.

Like other Volvo cars, the new model claims a high standard of safety with energy-absorbing zones front and rear, side-impact members in the side-impact zone, and roll-over strength in the side pillars and roof.

The 343, which fills a gap in the range between the Dutch-built 66 and the Swedish 240 series, is the first new model to be announced since Volvo acquired control of Daf last year.

Bill seeks more security for atomic stations

By Our Political Staff

Bill intended to strengthen the security of atomic research establishments was published by the Government yesterday. It would allow special constables employed by the United Kingdom Atomic Energy Authority to be armed when employed on guard duties at some sites.

It also seeks to extend the kind of property over which the authority's constables may exercise their powers to include properties owned by bodies that handle fissile materials, and to the protection of plutonium produced under reprocessing contracts from overseas.

France top of the holiday motoring list

By Our Motoring Correspondent

France has regained her position as the most popular destination for British motorists taking holidays abroad, according to the Royal Automobile Club. The most popular area is Brittany.

After giving way to Spain in 1974, France was the choice of 34 per cent of British motorists last year, against 21 per cent who went to Spain, 13 per cent to Italy, and 8 per cent to Germany.

The RAC said the pattern was expected to be similar this year, although devaluation of the peseta would strengthen the attraction of Spain. Holiday bookings through the RAC, so far are 37 per cent up on last year. More people are choosing caravanning and camping.

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Particulars of the Clinic will be sent on request.

New dark ages

Mr John Holloway, Professor of Modern English at Cambridge University, gives a warning in *The Times Higher Education Supplement* today that defensive measures are needed to protect English studies in the "dark ages" ahead. An unpublished government report on the attitudes of teenagers to school, work and higher education is also reported.

Gas

AS IMPORTANT TO BRITAIN AS NORTH SEA OIL

The arrival of the first supplies of North Sea oil has attracted a lot of publicity. And rightly so, because it will eventually bring many benefits to Britain.

Meanwhile North Sea gas has been coming ashore for some eight years now—bringing its own benefits.

Most people know that natural gas is a clean, controllable, efficient fuel. Not everyone realises, however, the extent to which it has been good for the country as well as the customer.

It has made us far less dependent on imported oil and has already saved Britain thousands of millions of pounds on our balance of payments. What is more, the supplies of natural gas so far discovered will last Britain well into the next century.

While North Sea oil will be of great benefit in the future, natural gas is *already* one of Britain's most precious assets. So please use it carefully—it's much too good to waste.

HOW YOU CAN SAVE GAS AND MONEY

- 1 Use your central heating time clock sensibly
- 2 Turn your thermostat down a degree or two
- 3 Turn off unnecessary radiators
- 4 Insulate your roof space and hot water system
- 5 Have your gas equipment properly maintained and serviced
- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS

PUBLIC EXPENDITURE

Government plans to save £50m by overturning its Commons defeat on earnings limit for pensioners

By Pat Healy
Social Services Correspondent

The Government intends to save up to £50m on social security next year by attempting to reverse its defeat in the House of Commons on January 29, 1975, on the pensioners' earnings rule. But it was promised "another bloody nose" on the issue last night by Mr George Cunningham, Labour MP for Islington, South and Finsbury, who led the Labour backbench revolt on the matter.

The defeat meant that the earnings limit before pensioners are reduced would rise to £50 a week in April, 1977, much higher than the level the Government was prepared to tolerate. The Chancellor threatened immediately to ensure that it would be paid for by "those best able to provide it".

"The retirement pensions earnings limit was raised from £13 to £20 in April, 1975, and is to be increased to £35 in April, 1976", the White Paper says. "The Government will be proposing an amendment to the Social Security Act, 1975, to provide that increases after that should be in line with the movement of earnings."

The amendment is intended to stop the earnings limit from rising to £50 a week in April, 1977, but because it would be the limit to rise in earnings that level would be achieved in about four to five years' time. The proposal appears to owe more to the lack of manoeuvre

available to the Chancellor than to government hostility towards relaxation of the earnings rule.

National insurance contributions will rise in April, increasing by £1.67 a week, for the £95-a-week employee. The Chancellor is known to be reluctant to raise contributions, so neither national insurance nor tax offers scope for paying for the extra amount needed if pensions are not to be cut by allowing the higher earnings limit to go ahead. In addition, the Government is legally obliged to raise pensions and other benefits by November at the latest, and new social security benefits are being introduced.

The White Paper shows that the total expenditure on social security is expected to rise by £500m to £9,963m by 1980. That total does not take account of the child benefit scheme, which will replace family allowances and child tax allowances next April and is expected to add considerably to public expenditure. A cut of £50m to stop the rise in earnings would be a fast and small in the context of the overall budget, but that is unlikely to stop strong resistance to the proposal in the Commons.

Mr Cunningham, who resigned as parliamentary private secretary to the Secretary of State for Education and Science over the issue, said last night that he would vote against the Government unless it was prepared to offer an end to the anomalies in the earnings rule. He had in mind the fact that people with substantial incomes from private pensions and sav-

ings did not lose their state pensions, while those with earnings did; and that people who did not retire could not claim their pensions until five years after retirement age.

"I suppose the higher earnings limit would be a fair price to pay for those concessions, but I do not think it likely that the Government will offer them", he said. "I think they are acting out of pique, and if they want to invite another bloody nose they are going the right way about it."

Mr Cunningham's soundings among a number of Labour backbenchers indicate that they would support his stand again. The Conservatives and Liberals are also likely to vote against a government amendment, not least because they dislike Commons decisions being overturned by government action.

The fairly unscathed social security budget in the White Paper rests on two assumptions: that benefits will rise yearly, although they have been rising more frequently in the past two years; and that unemployment will fall sharply after a peak in 1976-77. The estimates show that unemployment benefit is expected to cost £977m in 1976-77 but to be more than halved by 1979-80, when the cost is expected to be £245m.

Mr Frank Field, director of the Child Poverty Action Group, said last night that those assumptions indicated that the Government had already decided to cut the real value of benefits by increasing them only once a year.

Parliament asked for another £667m

By George Clark
Political Correspondent

Spring supplementary Estimates published yesterday, requesting from Parliament another £667m to meet the costs of the defence and civil department, and a reminder of the impact of inflation on public spending.

Of the total, £431m represents pay and price increases in the number of civil and defence services, the Government pointing out that the convention governing the Budget is that the Estimates on which it is based provide for future pay and prices increases only to the extent that they are known at the time.

The balance of £236m includes £75m in transfers within central government, mainly the payment of a grant in aid to the Northern Ireland Consolidated Fund.

The remaining £161m increase represents public spending amounting to £11m for food subsidies, £29m for regional development grants and assistance to industry, £33m in assistance to Rolls-Royce and the Concorde, £25m for roads, £57m for housing, £31m for supplementary benefits and other social services, and £25m for other services.

Under the heading of defence, £194m is required mainly for pay increases, and £99m for higher retired pay and pensions arising from the 1975 Pensions Increase Measure and the pension review last year. For procurement of defence equipment an extra £69m is needed, mainly to cover pay and price increases.

Another £112m is required for food subsidies, because of increased production of milk and butter, coupled with the devaluation of the "green pound", and because of increased consumption of bread, flour and so on. An extra £49m is requested for general support to industry under the Industry Act, 1972.

£1,000m cut means dearer school meals, fewer teachers

By Tim Devlin
Education Correspondent

The response of some of the leading educational unions to the White Paper yesterday was that the Government had broken its election promises. They believe that education has been victimized and that this will threaten trade union support for the second stage of the Government's incomes policy.

Education, science and the arts has had more than £1,000m lopped off its budgets for 1977-78 and 1978-79, about a twelfth of the total.

The 15p cut for a school meal is to be increased to 20p from September. There will be further heavy increases after that to bring the government subsidy of 60 per cent of the true cost down to 30 per cent by 1980.

The original target of more than 800,000 students on full-time and sandwich courses in higher education by 1981 has now been lowered to 600,000. Since the 1972 White Paper the Government has reduced the target to 500,000 and then to 400,000. But the White Paper points out that the proportion of the age group going to higher education will increase from 14 per cent at present to 15 per cent.

There will be a virtual standstill on staff appointments in

higher education after 1976-77. The idea is that the staff-student ratio should average about 1:10.

A new target of 464,000 teachers has been set for 1978-79. The White Paper says the size of the force thereafter will have to be considered as the number of school pupils declines. The 1972 teacher target was 510,000.

A standstill on the number of those going to university schools after 1976-77 means that the Science and Technology Commission expects to complete four fifths of the policy laid down by Mrs Thatcher, when she was Secretary of State for Education and Science, by 1980.

Programmes of induction and in-training courses for teachers have been delayed by a year and will start in 1977-78.

The proposed reduction of £618m on education, science and the arts in 1978-79 is made up as follows: Scotland, £48m; schools capital expenditure, £75m; schools current expenditure, £105m; higher and further education capital expenditure, £115m; current expenditure, £160m; arts, libraries and youth service, £45m; and school meals and milk, £70m.

The Department of Education and Science said yesterday that the basic programme of providing schools for children and of keeping pupil-teacher ratios had been maintained. Education, the

Transport a victim for sacrificial knife

By Michael Bailey

Higher bus and rail fares but fewer services and, above all, sharply increased traffic congestion on the roads seem the inevitable consequences of a cut in public expenditure on transport, the largest in any sector except education.

A cut of £506m in expenditure on roads and transport in 1978-79 represents a 21 per cent reduction on the previous half year's total and up nearly half the year's total by the Department of the Environment. Transport seems indeed to have been offered as a willing victim for the sacrificial knife, in line with the Secretary of State's oft-repeated philosophy that housing is more important than transport.

The main brunt falls on roads, where construction and improvement is down by £200m or 24 per cent on last year's estimate for 1978-79, and maintenance by £100m or 19 per cent.

On the railways, both subsidies and capital investment are to be cut along lines previously indicated. Rail investment is to be held at £260m for the next four years on 1975 prices, instead of rising to about £300m as intended last year. Rail subsidies will be held at about £280m instead of rising to about £380m. (Cash levels will of course rise with inflation, as will all these figures.)

Local authority bus and Underground subsidies standing at about £135m this year, are to be tapered to about £60m in 1979, primarily through reducing subsidies to keep fares down. That, however, is one of the key areas being examined under the transport policy review, which shows clearly that where public transport for the less-well-off is concerned the bus is far more important than the train. Transfer of resources to buses from other parts of the transport sector as set out in these estimates may therefore arise from the policy review.

Social services

Sharp reduction in rate of growth

By a Staff Reporter

Planned expenditure on health and personal social services in the next five years suffered the sharpest reduction of any important programme in the inevitable cuts in future public expenditure announced in the White Paper published yesterday.

While projected expenditure on education is to be cut by £620m, roads and transport by £500m, housing subsidies by £310m, food subsidies by £290m, and defence by £190m, spending on health and social services will be cut by the comparatively modest sum of £132m. According to the White Paper, the Government plans to spend £3,465m on health and social services in 1978-79 compared with the £3,617m envisaged in the last White Paper on public expenditure published in January, 1975.

However, that new and more modest target implies a sharp reduction in the rate of growth from the 2.7 per cent a year up to 1978-79 estimated 13 months ago to 1.4 per cent for health and 2 per cent for social service expenditure.

Much of the increase of 1.4 per cent a year in current expenditure on hospitals and community health services will have to go to those services covering the needs of the increasing num-

ber of old people. The cost of all other development in the running of new hospitals, will have to be met within the total sums available.

Any further improvement in services or the introduction of new ones will be possible only if corresponding savings are made elsewhere. The only exception is a special allowance to take account of the phasing out of pay beds from National Health Service hospitals.

The White Paper comments: "There will thus need to be a greater emphasis on achieving the most effective use of available resources and obtaining savings by improvements in efficiency (including, where necessary, the closure of hospitals or units)."

The Government has decided to reduce capital expenditure in building new hospitals in order to give priority to maintenance of services.

The White Paper has been received with a rather grudging relief within the health service. Dr Charles Stevenson, secretary of the British Medical Association, commented: "Although overall expenditure on the NHS appears to have suffered relatively less than other sectors, the drastic cuts in current expenditure on building programmes must inevitably have a serious effect both on the service as a whole and on the morale of staff."

Inflation Policy on target, Mr Wilson says

By Our Political Staff

The Prime Minister said last night that the rate of inflation had been reduced, and that the Government was "on target" in its efforts to reduce it still further by the autumn. On the next stage of incomes policy, he said: "We shall need a further agreement on a voluntary basis, and the lower the figure is for pay limits the more the Chancellor will be able to do in reducing taxation on that pay."

Interviewed in the BBC Radio Four Analysis programme, he said that a confrontation with the unions on the scale that happened in 1974 would endanger the measures against inflation. It was encouraged by the support from employers and the City of London, from people who recognized that the Government's voluntary policy on incomes was right.

Mr Wilson said that the measure being taken by the Government to bring 1978-79 government spending, as a proportion of national income would be lower than in the last year when the Conservatives were in power. The Conservatives now proposed immediate cuts which would increase unemployment. That would be cruel economically and socially unacceptable.

'Tribune' group sees 'document of shame as handmaiden of Labour's enemies'

By Our Political Staff

The left-wing Tribune group of MPs branded the White Paper as "document of shame", likening it to *In Place of Strife*.

A statement issued by the group stated: "It is the handmaiden of the City, the CBI and other enemies of Labour in the British establishment. It will be resisted by the trade union and Labour movement and we in Parliament will combine to fight against its implementation of these public expenditure cuts by every means open to us."

The group plans to table an amendment in the debate but will not go over the brink and vote against the Government. Mr Reiffer (Liverpool, Walton) said that if the Tories were in further cuts and voted against

the Government it would be madness to vote with them. The statement said the cuts would transfer wealth and power from the poorer to the richer, damage investment and employment in the public sector, help to sustain unacceptably high levels of unemployment into the 1980s at considerable cost in human misery and to the Exchequer.

"It is the fact that the White Paper makes it clear that the £1,000m allocated to the National Enterprise Board by the Industrial Act, 1975 is unlikely to be increased before the decade is out. This makes a mockery of Labour's whole industrial strategy and the Chancellor's professed desire to see the revival of investment in manufacturing industry."

Mr Richard Wainwright, Liberal spokesman on industry, trade and prices, said industry was being used "as a cupboard to conceal a giant-sized skeleton", the vastly increased interest to be paid on the rocketing National Debt. It was that burden, created jointly by the Heath and Wilson governments, that really caused the greater part of the savage cuts.

"Government propaganda is trying to cover up by attributing the cuts to industry's 'undoubted needs', he said. "The cuts will remain highly dubious so long as Government refuses to construct, and put to Parliament, an industrial budget, firmly and specifically committing a total sum annually to the revival of investment in manufacturing industry."

VAT collection methods criticized

Continued from page 1

which was originally expected to require a staff of 8,200, now had a provisional staff estimate for 1975-76 of 11,580. About a million or 18 per cent of the 5,730,000 returns received in 1975 were still found on initial scrutiny to be incorrect or incomplete and half of those had to be returned for correction.

During the year the enforcement division had been strengthened by a staff increase from 370 to 581; even so, appreciable arrears of work had built up during the year. Records show that cuts same parts of the division and for some categories of case there had continued to be many months' delay in starting enforcement action.

The report says the department hopes to make additional resources available to increase the number of prosecutions for failure to make returns and to expand the system for giving priority treatment to defaults by major traders.

Even so, defects in administration meant that 335,000 defaults in payment by the end of September last year had occurred.

In February, 1975, the depart-

ment told the Committee of Public Accounts that, on the basis of available statistics, it estimated that in 1974-75, the first full year of control measures, it would collect about £35-40m less than its true entitlement of VAT.

That shortfall, it said, would be due principally to undetected under-declarations by traders, unidentified under-assessments where traders had failed to make returns, and tax written off mainly as a result of non-payment.

About 65 per cent of the returns due in 1974-75 from all traders were not received by the due dates, and about 23 per cent were still outstanding a month later. At March 31, 1975, about 1,110,000 returns, including 383,000 due on that date, were then outstanding. Five months later about 420,000 of those were still outstanding, including 123,000 cases where no return was likely to be payable or a repayment might be due to the trader.

When a trader fails to render a tax return or to pay promptly the tax shown to be due, the department first issues a reminder or a demand for payment, or a demand for continued failure, the department usually makes a computer-generated

estimate of the tax due and issues a demand for it. In 1974-75 there were 749,200 such assessments, made a month after the payment dates, and a further 125,000 assessments were made by the enforcement division. No detailed statistics are maintained but the department estimated that about 70 per cent of those assessments produced from traders either a submission of a return, with payment of tax based on that return, or the payment of tax demanded by the notice.

Some cases are referred immediately to the enforcement division for action when the reminder produces no result. Other cases, where there is no response to an estimated assessment, are similarly referred after a month of silence.

Sir David recalls that in his report a year ago he stated that the correctness of the amounts of VAT collected appeared to him to depend mainly upon the honesty and accuracy of traders in compiling their returns, and the limited extent of the department's examination of traders' records and comparison with tax returns.

Appropriation Accounts (Classes XXV and XXVI), 1974-75 (Stationary Office, £5.50).

Local government

Housing, pensions and health get first priority: sports provision will suffer

By Christopher Warman
Local Government Correspondent

The effect of cuts in public expenditure on local government will inevitably be reduced services and increased charges for certain services if they are to be maintained.

The White Paper states: "No increase in the total of current expenditure can be afforded over the next few years. Any increases in individual services, whether for demographic or other reasons, must be offset by reduced levels of provision in other services."

It accords closely with the priorities of Mr Crosland, Secretary of State for the Environment. He places housing, pensions and health at the top; roads and certain essential services are considered less urgent. The White Paper suggests that recent heavy spending on sport and recreational projects may be reduced.

The Association of County Councils said that local authorities' commitments and responsibilities were still increasing as a result of past policies. New

schools, and new homes for old people and children, planned some years ago and now coming into operation, would have to be staffed and maintained or left to stand idle.

The proposed reductions would therefore mean little if any development of services, and in some areas further significant reductions beyond those which would occur in 1976-77.

The Association of Metropolitan Authorities, firm in support of the Government's anti-inflation policy, expressed concern at the severe cuts in roads and transport expenditure, including urban bus services.

Mr Robin McCall, secretary, said: "With care, ingenuity and the determination of local authorities to use their manpower effectively, and with increases in charges for services as trade refuse, sports, and cemeteries, we shall get away without having to make major cuts in services."

Commander Duncan Lock, chairman of the Association of District Councils, forecast that the service to be provided by many existing public services over the next four years. Ser-

vices likely to be worst affected were transport, including concessionary fares, housing, apart from house-building, public health, sport and leisure facilities and planning.

It was possible that some councils would be unable to contain their spending within the limits set out by the White Paper because of the momentum of their existing spending programmes.

Our Planning Reporter writes: The Government was at pains yesterday to emphasize that the axe had fallen relatively lightly on its housing programme. But that was precisely the challenge, which was challenged by Shelter, which observed that nothing had been done about the urgent priority to redirect resources towards new house building and improvement.

Total housing expenditure until 1980 is estimated at just over £4,000m a year, an average increase in real terms of more than 20 per cent on 1974-75, but much less than in 1974-75.

The most notable advance is in the provision for grants to housing associations, which are due to rise from a negligible level in 1974-75 (£2.7m) to £365,400,000 in 1977-78.

Union reaction

Civil Service 'shocked' by the lack of consultation and threat to jobs

By Tim Jones
Labour Staff

Trade unions responded with anger over the White Paper and at least one large union hinted that it might strain the effectiveness of the Labour movement's cooperation over wage control.

Some of the bitterest comment came from Civil Service unions, which are preparing strong opposition to government plans to reduce the size of the service by as many as 20,000 or more employees during the next two years.

Mr Geoffrey Drain, general secretary of the National and Local Government Officers' Association, said: "The unions have played their part this year in accepting wage control. Now we see how the Government is keeping its side of the bargain. Our full effort is being put into averting its damaging course."

"I fear greatly for the most vulnerable of our society who will bear the brunt of these totally misguided cuts. They are going to hit children and their schooling, health, family services and housing in a way that will make all who care for the future of our welfare state despair."

His union would not "stand aside and watch this dismantling take place. We shall be working to change the assumption underlying this White Paper."

Mr William McCall, general secretary of the Institution of Professional Civil Servants, said his members would fight enforced redundancies, and pointed out that because of the extra work caused by recent legislation, the Civil Service would have to be increased by

10,000 before the cuts could be made. "We are shocked by the deplorable lack of consultation with the Civil Service unions on this vital issue. We do not want an inflated Civil Service, but we do expect the service to be adequately staffed to provide the service to the community that Parliament decides."

The Civil and Public Services' Association said it could not "rule out the possibility of protest action in defence of its members' jobs" and the living standards of the population at large."

Mr Kenneth Thomas, the union's deputy general secretary, said that his worst fears had been confirmed as it was clear that a main part of the cuts would affect things such as health, housing and education. "We are not blind. We know these economies can be achieved only at the risk of frightened cuts in staffing with the effect of lowering standards in service to the public."

Morale in the service was already low, and civil servants might again be in a face-to-face contest with a discontented public.

Mr Campbell Christie, deputy secretary of the Society of Civil Servants, said: "The White Paper confirms the worst of the recent speculation about Civil Service manpower cuts. The estimated savings of £140m on manpower costs in 1978-79 means that, in addition to a complete stop in growth to meet current demands of recent legislation, Civil Service manpower will be reduced by between 40,000 and 50,000, halving the levels required to staff the programmes provided for in the White Paper."

"This can be achieved only by reduced standards of service to the public or by an attack on the working conditions of civil servants, neither of which is acceptable to the society."

"The staff cuts are to be made separately from the planned reduction in programmes, which is an unacceptable breach of the practice of maintaining staffing levels adequate to carry out programmes. This separation means that the programmes as presented by the White Paper are misleading."

"The staff cuts are to be distributed around the programmes in a way as yet undetermined. The only certainty is that many of the programmes in the White Paper will be understaffed and therefore cannot be carried out in full."

"The proposed cuts, therefore, are an arbitrary and irresponsible method of reducing standards of service to the public, and the White Paper is a misrepresentation of the work which the Civil Service can carry out."

"Savings attributed to the staff cuts are in any case quite spurious. Reductions in manpower to achieve savings of £140m on the salary bill would incur lost tax, increased unemployment benefit and retraining costs of £145m. The proposed staff cuts, far from representing a saving, will actually cost the Government an extra £5m a year."

"Cuts on the scale proposed must inevitably mean redundancies. In this situation the society must reconsider its cooperation in other projects such as the dispersal programme, which is designed to create jobs outside London."

WEST EUROPE

Bonn seeks Polish aid in ratification of treaties with Warsaw

From Dan van der Vat, Bonn, Feb 19

Attempts by the West German Government to get help from Warsaw in pushing through recent treaties with Poland through Parliament were disclosed today as the Bundestag debated them for the last time. Herr Genscher, the Foreign Minister, had several talks with the Polish Ambassador in Bonn in the past few days. Bonn hopes that Mr. Genscher, the Polish Foreign Minister, will make a clarifying statement on Warsaw's view of the treaties and will also show readiness to discuss other outstanding issues between the two countries.

All this is highly reminiscent of 1972, when Bonn persuaded the Russians to make such a declaration, enabling the two general relations treaties with Moscow and Warsaw concluded in 1970 to be ratified.

The Government's problem with the three treaties lies not in the Bundestag, where it has an overall majority of 44, but in the Bundestag (Upper House), where the opposition Christian Union (CDU) has a majority of 11.

The package of three agreements provides for the emigration of 125,000 ethnic Germans from Poland, the provision of a 1,000,000 (200m) credit to Warsaw and paying the Poles DM1,300m towards the pensions of people originally insured in the Third Reich.

The CDU in the Bundestag, which represents the federal states, argues that the last treaty affects states' rights because the pension money will come from the funds of insurance companies.

Today's Bundestag debate, therefore, though it means nothing in emotional terms, is a test of the Government's ability to get the treaties through the Bundestag. The absence of large numbers of deputies for much of the day, however, has not helped.

Government support drops before local elections

Poll shows fewer Frenchmen mistrust the Communists

From Richard Wieg, Paris, Feb 19

A decline in suspicion of the Communists and a fall in the popularity of the Government are revealed in a public opinion poll published in *Le Figaro* today.

The Sofres poll comes as both the Government and the Opposition prepare to do unusually vigorous battle in next month's local elections. Lists of candidates closed at noon today.

Some 16 million voters, half the electorate have the right to go to the polls. Even though abstentions are often high in the national elections both sides are agreed in treating this as a national political test.

Le Figaro commented today if the poll showed that the Communists have gained four points in popularity in this month's poll compared to the one last month, reaching 35 per cent. This would mean that they mistrust the party dropped by six points.

In an attempt to give the party a better image its congress decided to drop the Marxist belief in the necessity of a dictatorship of the proletariat to build socialism in France.

Since Christmas the Communists have gained eight points in popularity and there was a drop of 11 points among those mistrusting them.

While the Socialist Party maintained the top score of 50 per cent unchanged, the Gaullists (UDR) dropped three points to 33 per cent and the Independent Republicans lost also three points to 44 per cent.

M. Marchais, the Communist Minister, has also accepted a challenge from M. Mitterrand to a television debate on the economic situation. This will be held five days before the first ballot on March 7.

M. Marchais, content with his recent successes, has taken this as a challenge from the Socialists and M. Fourcade's party.

The Socialists are angry. M. Mitterrand, who in the past has avoided worsening relations with his electoral allies, advised M. Marchais not to insult the Socialists with such "base remarks".

Responding to the orders of

President Giscard d'Estaing, M. Chirac is to appear on television tonight virtually opening the national election campaign. M. Giscard d'Estaing has instructed all his ministers to take on the Opposition whenever a chance offers itself, judging that the media have been left too much to the left since the unexpected popular impact of the Communist Party congress.

M. Fourcade, the Economics Minister, has also accepted a challenge from M. Mitterrand to a television debate on the economic situation. This will be held five days before the first ballot on March 7.

M. Marchais, content with his recent successes, has taken this as a challenge from the Socialists and M. Fourcade's party.

The Socialists are angry. M. Mitterrand, who in the past has avoided worsening relations with his electoral allies, advised M. Marchais not to insult the Socialists with such "base remarks".

Responding to the orders of

Conference plea for Soviet Jews' rights

From Our Own Correspondent, Brussels, Feb 19

A three-day world conference on Soviet Jewry is to be held in Brussels tonight, with the 1,200 delegates calling on the Soviet Union "to remove all obstacles in the way of those who wish to leave and to desert from all harassment and intimidation."

The conference, which is being held at the Hotel de Ville, is the first of its kind since the adoption of public declaration, adopted by the Russians to live up to their commitments on human rights, including the recent Helsinki agreement on security and cooperation in Europe.

Mr. Golda Meir, the former Israeli Prime Minister, who acted as honorary chairman,

said that the Soviet Union was fighting a losing battle. They would not be disgraced if they allowed the Jews to leave their country. Throughout history, nobody had ever broken the spirit of the Jews, however "strong, brutal or ruthless" the powers against them had been.

The conference had all the trappings of an American political convention. Its main purpose was to focus public attention on the plight of Jews in the Soviet Union, after a recent drop in the rate of emigration.

Publicity was also provided by various protests from the Russians and Arab nations, aimed at first at persuading the

Belgian authorities to call off the conference. Subsequently the Russians tried to show that some Soviet Jews wanted to remain in the Soviet Union.

The organisers of the conference are already describing it as an overwhelming success and expect the rate of emigration of Soviet Jews to rise perceptibly from its present level of about 1,000 a month in the near future.

After a similar conference in Brussels five years ago the emigration rate rose considerably for some three years before again falling off, they argue. They concede, however, that the last exodus also coincided with pressures from other quarters.

OVERSEAS

Mr Carter faces move by some Democrats to stop his drive for presidential nomination

From Patrick Brogan, Manchester, New Hampshire, Feb 19

There are five contenders for the Democratic nomination in the primary here and they are all fighting for second place. Possibly the man who comes third in the voting on Tuesday will survive to fight another day, but it is certain that the fourth and fifth in the ballot will be destroyed as serious candidates unless some miracle saves them a week later in Massachusetts.

Miracles do occur in American politics from time to time, but hoping for their occurrence is not a helpful tactic for a man who would be President.

Mr Jimmy Carter, a former governor of Georgia, will probably win, but he is not altogether comfortable about the prospect. A "stop Carter" movement is already well under way and his record and position are not nearly strong enough to withstand such an onslaught with equanimity.

The other candidates all agree that Mr Carter has an unfair advantage: he is thought to be the "conservative Democrat" in this race, probably because he comes from Georgia and was once a military man. New Hampshire being a conservative state, therefore, he ought to do better than the clutch of liberal Democrats battling behind him.

What happens if you do not finish in the top three? someone asked Mr Fred Harris, the Populist candidate, this morning. He smiled engagingly and replied: "It will be a shame," but brushed away the prospect.

He is a short, portly man, still full of energy in spite of the fatigues of the campaign. If he has begun to doubt secretly his ultimate success, it shows only in a slowing of his rhetoric and a slump of his shoulders when the television cameras are turned off.

After the Iowa caucus, Mr Harris said that the weaker



His campaign managers are contemplating the consequences, however. If Mr Harris does not make the grade here in Massachusetts and in Florida on March 9, there will be no more money for a trailer campaign, even for a trailer campaign.

His trailer is one of those motor caravans which clog the roads of America every summer. He has been travelling the length and breadth of the country in it for more than a year now, spreading the word, recruiting volunteers, forming committees in states across the Union, hanging away at the central issue of his campaign.

When people put him up for the night, he gives them a printed invitation valid for one night, in the "People's White House". He has aroused much enthusiasm, but it does not seem that he has aroused enough.

He is a short, portly man, still full of energy in spite of the fatigues of the campaign. If he has begun to doubt secretly his ultimate success, it shows only in a slowing of his rhetoric and a slump of his shoulders when the television cameras are turned off.

After the Iowa caucus, Mr Harris said that the weaker

brethren were being winnowed out, and that he had been winnowed in. Then came the caucus in Oklahoma, Mr Harris's home state, which winnowed out Senator Lloyd Bentsen and which Mr Harris survived, thanks to some fancy footwork with the statistics.

New Hampshire and Massachusetts are more interesting for what they do on the Republican side of the fence, but the probable winnowing out of Mr Harris will be marked with a sigh: the campaign will be duller without him.

The other candidate most likely to disappear in the next 10 days is Mr Sargent Shriver. He married one of the Kennedy sisters and some of the people who will be voting here on Tuesday like him for it. Others like him because of his solidly liberal record on racial matters. Neither group is really big enough.

That will leave Mr Carter and, at most, two liberals, Mr Morris Udall, a Representative from Arizona, and Senator Birch Bayh of Indiana. All three expect to move down to fight it out with the two conservative heavyweights, Governor George Wallace and Senator Henry Jackson. Mr Udall's secretary hopes is that he will eliminate Senator Bayh and Senator Jackson will take care of Mr Carter.

Things never work out that easily, of course, and all these people and all their workers (Mr Harris has 105 unpaid full-time workers in New Hampshire) are uneasily aware of the rest of America waiting to be conquered beyond the green mountains.

Russia makes new proposals on arms cuts

Vienna, Feb 19.—The Soviet Union submitted yesterday a new proposal on the reduction of armed forces in Central Europe but the West said that it was "not really new" and contradictory to the Western position.

Mr Oleg Khlestov, head of the Soviet delegation at the talks on mutual and balanced force reductions, made the proposal which "combines previous proposals with certain elements of the Western side," a Soviet spokesman said.

A Western spokesman said that much of the proposal was

"contained in earlier proposals that were unacceptable. The new proposal still aims at maintaining the Eastern superiority in ground forces, manpower and tanks. The East was still not prepared to provide data on their strength in troops and weapons in Central Europe."

Mr Oleg Khlestov, head of

Trawlerman is hurt in cod war incident

From Ronald Kershaw, On board HMS Scylla, Off east coast of Iceland, Feb 19

The cod war took a new and more dangerous turn today with the three Icelandic gunboats, Aggir, Thor and Tyr adopting a more aggressive and, in the case of Aggir, a more reckless attitude. It was one of the crew of a Grimsby trawler being injured in a warping collision.

British trawler skippers are clearly incensed at the injury to a crew member as the incident has continued harassment of sea longer than they have done in the past and appear to be making more determined efforts to snuff out the fishing.

The Aggir heaved to sometimes for long periods then suddenly seams off on wary cutting runs with the frigate Scylla keeping pace and usually managing to head off the gunboat from its quarry.

On the morning of the collision, the Aggir came close to ramming the port side of the Scylla but at the last minute the Icelandic captain appeared to change his mind and veered off.

The incident involving the injured seaman came in mid-morning when, despite all efforts, the Aggir managed to cross the stern of the Grimsby trawler, The Royal Linc, which was hauling.

Both vessels were cut and the severed cable snaked out of the water like a whip, cracking the seaman across the back.

Fortunately the support vessel Miranda was in the vicinity and its doctor was attending to the injured man within minutes of the incident. Subsequent reports show that the man's injuries were not so severe as at first thought.

20,000 ducks caught in oil spills

Borgholm, Feb 19.—Swedish coastguards are having to shoot about 20,000 long-tailed ducks caught in oil spills near the Baltic island of Oland, about half of all the long-tailed ducks that usually spend the winter at sea in that area are affected.

Spanish political courts back in action

From Our Correspondent, Madrid, Feb 19

A Madrid political court today heard the case of 15 people accused of belonging to the illegal Maoist group Frap (Anti-Fascist Revolutionary Patriotic Front). The prosecution is asking for 12 years' imprisonment for one of the accused, five years for 13 and six months for one who is under 16.

Political courts in Spain have been relatively quiet since General Franco died last November, but with this trial and a similar one expected to start shortly in Valencia, eight alleged Frap members, looks as if the much-hated courts are back in action.

Señor Carlos Arias Navarro, the Prime Minister, did hint in

100-mile fishing zone for Britain opposed

From David Cross, Brussels, Feb 19

Mr. Pierre Lardinois, the European Commissioner for Agriculture, today explicitly rejected British trawlermen's demands for a 100-mile exclusive fishing zone around the coast of Britain and other EEC member states could be wider than the maximum 12-mile strips proposed in the Commission's new plan to redraft the Community's present fisheries policy.

Explaining details of the revised policy at a press conference in Brussels, Mr Lardinois said the Commission's proposals would be "unnecessary" to fix coastal zones wider than 12 miles. This was because, under the plans, all EEC fishermen would share the burden of fish losses in territorial waters beyond the Community's new 200-mile limits when these were fixed internationally.

There also would be difficult legal problems to overcome if EEC member states if the Community's existing fisheries policy had to be modified in any substantial way, and besides, the gradual introduction of exclusive national coastal fishing zones of up to 12 miles, the Commission's new blueprint suggests, would be beyond this and up to 200 miles.

Within this area, catch quotas would be worked out for the fishing fleets of the nine based on present national catches as a proportion of the total catch over a period of years still to be determined.

Out of this total quota, a 5 per cent reserve would be set aside, mainly to compensate EEC fishermen for losses outside the Community in other traditional fishing grounds like those of Norway and Iceland.

EEC fishing fleets would have access to this reserve.

Mr Lardinois said that when new 200-mile limits were accepted internationally, EEC fishermen as a whole could probably expect a net loss in their total present annual catch of between 4 million and 4,500,000 tons.

But this, the Commission would depend on negotiating agreements with non-member countries like Norway and Iceland. It was difficult to estimate how large this loss would be, but it was unlikely to be more than 150,000 tons and probably much less.

The Commissioner made it

clear that the Community had no intention of declaring 200-mile fishing limits unilaterally. He hoped the Norwegians would be persuaded to hold back until new limits were agreed internationally.

The Commission's new proposals, which were completed yesterday, are being transmitted to member governments for a final decision to be taken as soon as possible. The Commission is hoping that foreign minister of the Nine will come up with some clear guidance when they meet at the beginning of next month, so that the Commission has a joint posture for the next round of the United Nations Law of the Sea Conference, due to open in New York next month.

Our Political Correspondent writes: Mr Peart, the Minister of Agriculture, opening a debate in the Commons last night on the fishing industry, told MPs he was disappointed that the Commission's document was talking about 12-mile exclusive fishing limits when everywhere else in the world the move was towards 200-mile limits.

Mr Peart, who had not seen the Commission's document and was basing his remarks on reports of its contents, added that the Government would need to study these ideas before reaching a final judgment. He promised that the talks on revising the EEC fisheries policy would be conducted with reasonableness but with firmness.

The Minister pointed out that at the Law of the Sea conference a large body of support was being gathered for the idea of 200-mile exclusive economic zones, and Britain supported that concept. The EEC's fisheries policy must provide adequate safeguards for the British industry. The allocation of resources must reflect the extent of the resources around British shores, which were a contribution to the economic wealth of the Community.

They must also reflect the special dependence of our fishing ports and the size of our distant water industry as well as the needs of British consumers.

South Moluccans to be tried next month

Amsterdam, Feb 19.—Seven South Moluccans who held two dozen people hostage in the Indonesian Consulate here before Christmas to back their claims for independence from Jakarta, will go on trial between March 22 and 27.

Don Juan has made it known, however, that he might be willing to renounce his claim when democracy is restored in Spain. He was advised by the Government not to visit Spain last summer after he made a speech from Exoril criticizing General Franco's choice of his son as King.

Authorities today banned a conference at Madrid's Complutense University where Señor Ricardo de la Cierva, the historian, intended to give a talk on the Spanish Army. Hundreds of students protested after the conference was banned.



There's a better working life for everyone in this guide.

It tells you about the new Employment Protection Act, a major piece of legislation that's important to everyone who works for a living. Employers and employees.

The Act is very wide in scope, and covers many different aspects of working life. But it has a single basic aim: to create a climate in which employers and employees can work more closely together, and so make British industry and commerce more productive.

The Act lays the groundwork for this improved co-operation. By encouraging more collective bargaining — and in this connection the independent Advisory, Conciliation and Arbitration Service will have an important part to play — and by providing extra protection and greater job security for all workers.

Managers and executives, manual and non-manual workers, full and part-time

employees — the Act provides benefits for men and women at every job level and in every kind of job.

From 8th March, procedures that employers must follow for handling redundancies become operative. From 20th April, employees can claim wages and certain other payments owing to them if they lose their jobs when their employers become insolvent. Other provisions — such as remedies for unfair dismissal — will be introduced during the Summer. And some provisions will come into effect early in 1977. For example: anyone on short-time or lay-off will then be protected by guaranteed payments and a woman leaving to have a baby will be entitled to maternity pay.

This gradual phasing in of the Act is designed to help employers with any arrangements or adjustments they need to make. And,

as the Act comes into operation, that should mean a better and more productive working life for everyone.

Whether you are an employer or an employee, this important Act concerns you. Get the guide now — and find out more facts about Employment Protection. You can obtain it from your nearest Unemployment Benefit Office, Employment Office or Jobcentre. Or send in the coupon to: H.M.S.O. (S14B), Cornwall House, Stamford Street, London SE1 9NL.

Please send me a copy of:

☐ "Employment Protection Act—An Outline"

☐ "Handling Redundancies" (FL 581 (emp))

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EMPLOYMENT PROTECTION ACT



OVERSEAS

Mr Wilson attacks 'intransigence' of Rhodesian leaders

By George Clark
Political Correspondent

Mr Harold Wilson last night made a trenchant attack on Mr Ian Smith, the Rhodesian Prime Minister, for not having moved "one inch" from the position he adopted when he proclaimed independence.

He said the Government would not proceed rapidly to a negotiated settlement about the future of the country.

Interviewed on the BBC Radio 4 *Analysis* programme, Mr Wilson said: "We are not going to give any moral support or anything else to people who have been running a repressive regime, contrary to anything we believe in, and in some ways a semi-fascist regime."

"Let no one think that if they go on in this intransigent posture they can call on Britain to bail them out when for 13 years they have rejected everything that I or Mr Heath or Sir Alex Douglas-Home have proposed."

Referring to his own negotiations with Mr Smith, on board HMS Fearless and HMS Tiger in Gibraltar, Mr Wilson said that the Rhodesian Prime Minister did not move "one inch."

"He is still dodging and still flying in the face of the whole modern world," Mr Wilson told his interviewer, Ian McIntyre.

"Equally, I would be against any attempt to find a solution by violence, and still more against any attempt to impose a solution by intervention from countries which have no right to be in Africa at all."

The Prime Minister criticised the "larger mentality" of the white Rhodesian parties, which he thought was inviting a very serious confrontation.

Roger Berthoud writes: The British Government will not send troops to protect white Rhodesians in any war between them and the black majority, Mr David Ennals, Minister of State at the Foreign and Commonwealth Office, said in London yesterday.

The British Government, of whatever political flavour, would commit British troops on the continent of Africa in a war on behalf of the minority against the majority. It would be madness to do so, he said.

The Royal Commonwealth Society, which thought Britain would come to the rescue were deluding themselves.

Britain has little military power to offer

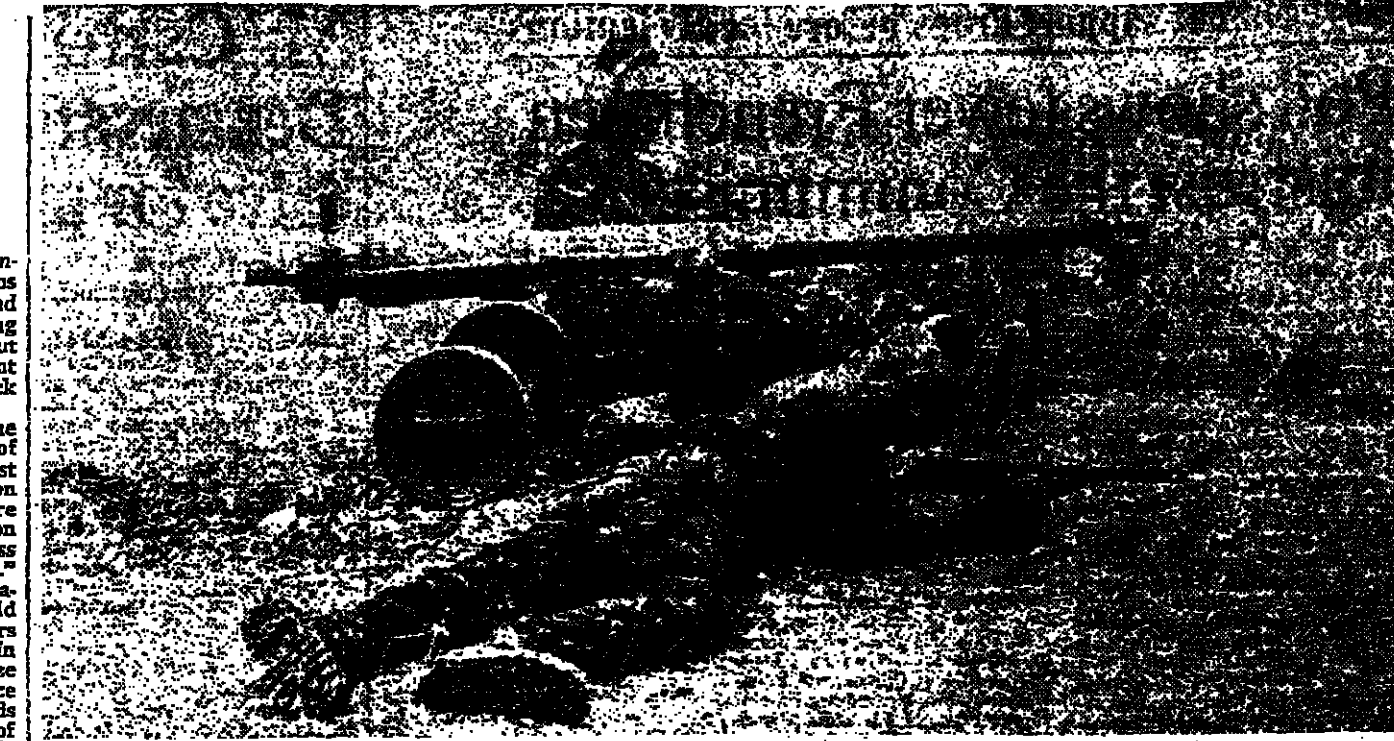
By Henry Stanhope
Defence Correspondent

A series of defence cuts has ensured that Britain could do little in Rhodesia or anywhere outside Europe. The problem is partly of finding enough troops to send, and partly of finding enough transport.

Apart from the Gurkhas, the British Army consists of 19 divisions and 100,000 men, including 50 infantry battalions—three of which are in Rhodesia—and about 25 artillery regiments, in addition to the supporting corps.

But 55,000 soldiers, about a third of the total strength, are stationed in West Germany with the British Army of the Rhine (BAOR), and 3,000 more are in Berlin.

Two battalions and two armoured reconnaissance squadrons are in Cyprus. Another 10,000 men are in Hong Kong, together with three battalions of the Royal Marines, and another, with an



A gun crew of the MPLA forces in northern Angola photographed by a correspondent of Tass, the Soviet news agency.

Angola demands removal of S African forces

Luanda, Feb 19.—Angola today demanded the "immediate and total withdrawal" of South African forces, promising at the same time that it would not "carry out any kind of aggression against neighbouring states."

A statement issued by the Popular Movement (MPLA) said Angola demanded the South African withdrawal from its territory on the basis of the pledge not to attack its neighbours. "The Angolan people and the FAPLA (the MPLA military wing) will not disarm until they obtain a guarantee that the aggressors will end their intervention," it added.

The Angolan statement followed a report from reliable sources in South Africa last night that Pretoria would not recognize the MPLA government until it got guarantees about its northern frontier with Angola and its interests in the former Portuguese colony.

The MPLA today warned neighbouring countries not to allow subversive activities to be carried out against Angola as a result of the presence on their territory of "groups of refugees."

Such an attitude would lead to "negative consequences regarding the international agreements which the Angolan People's Republic intends to make," the MPLA Political Bureau statement added.

Angolan refugees were urged to return home and contribute to national reconstruction. The statement said that the "necessary collaboration" of the United Nations specialized agencies in this respect.

Lisbon, Feb 19.—Forces of the Union for Total Independence (Unita) have regained control of their former military headquarters town of Silva Porto, a leading Unita official said here today.

Mr Marques Kakumba, Unita's Foreign Minister, told a press conference that Cuban-led forces of the MPLA were driven out yesterday.

But he said Unita's forces did not occupy the town, since they were now using guerrilla tactics because of the MPLA's military successes. Unita had taken up controlling positions round Silva Porto, he said.

Derlin: The East German news agency, ADN, said in a report from Angola today that Unita had massed hundreds of prisoners belonging to the MPLA. An ADN correspondent said he had seen mutilated bodies littered around 20 mass graves at a jail near Silva Porto.

The correspondent said the number of corpses could not be ascertained, but he added that he had found 225 pairs of canvas shoes at the edge of a nearby maize field. "The prisoners must have had to take them off before they were killed," he wrote.—Reuter.

Cape Town: Since the beginning of 1975, South African forces in the Angolan border area have sustained only "three dozen" serious injuries to their men, Mr Piet Botha, the Defence Minister, said here today.

According to figures released periodically, 41 South Africans have been killed and seven captured since May, 1973. South Africa has "put out of action" 37 guerrillas, and 342 have been killed in the same period.—Agence France-Presse.

Evacuation in Sinai nearly complete

From Moshe Brilliant
Gidi Pass, Sinai, Feb 19

Convoys of tanks on huge trailers drove eastwards through this strategic mountain pass today as Israelis approached the completion of their withdrawal from 2,150 sq miles of Sinai they have occupied since the war of 1967.

The evacuation is in accordance with the interim agreement mediated by Dr Kissinger, the American Secretary of State, last year. By midday on Saturday, the only Israeli remaining in the area will be 200 in an enclave at Hodeida, near the western end of the Gidi Pass, where they will continue to operate an early warning station.

The Israeli soldiers riding eastwards were passive, a marked contrast to the elated troops who pulled back from Egypt after the first disengagement agreement in 1974.

But Mr Peres, the Defence Minister, called the conclusion of the agreement the "single most important step leading to the pacification of the area taken in the past 10 years."

Meeting journalists in Rafidim, the big Sinai base, he said both Egypt and Israel were true to their intentions and undertakings under the agreement.

Of the area evacuated by Israel, 1,500 sq miles are being taken over by the United Nations emergency forces as a buffer zone, ranging in width from 10 to 25 miles.

Our Cairo Correspondent writes: Egyptian troops today moved to a new area in Sinai after Israeli troops had withdrawn.

An Egyptian military spokesman today said the Egyptian flag was hoisted on the area opposite Port Fouad and Cana, east of a landing operation at which the United Nations emergency forces gave the territory to the Egyptians.

The most important result of the interim peace agreement is Egypt's regaining of the Sinai oilfields.

Australian air traffic threatened by strike

Melbourne, Feb 19.—Civil air traffic throughout Australia, including international flights, is expected to stop at midnight tonight when air traffic controllers begin a 48-hour strike.

Last night President Amin repeated his claims that western Kenya and southern Sudan were "illegally" transferred from Uganda by Britain in the early years of the century. He said he would write to the Queen demanding an explanation of the Government's action over the passports.

In his letter, Mr Maudling said he was disturbed by the sanction and asked: "I think you will agree that the refusal of passports, which, in practice if not in theory, confines the individual to this country is an act of Government which, when practised in communist countries, we all strongly deplore."

During the day, 18 mercenaries flew into Heathrow airport and were met by police, who questioned them before they left for their homes. They were greeted also by Mr Charles Christie Douglas, from Walsall, Staffordshire, who has remained at the airport most of this week, hoping to find his son Charles among the returning mercenaries.

Other relatives have been keeping in touch with the Foreign Office for news, but there is no list of casualties yet. There are now 100 mercenaries in the mountain area left in Kinshasa, Zaïre.

Leading article, page 15

Muslims blame Israel for unrest

From Eric Marsden
Jerusalem, Feb 19

The Muslim Supreme Council in Jerusalem has accused the Israeli Government of responsibility for the wave of violent demonstrations and strikes in the West Bank because of its failure to repudiate a magistrate's ruling that Jews have the right to pray on the Temple Mount (Harat es-Sharif) in the Old City.

The Muslim Council's statement said that the magistrate's ruling was "even more serious than the burning of Al Aqsa Mosque." (The mosque, which stands on the Temple site, was partially destroyed by arson in 1969. A young Australian visitor was killed for arson.)

The council drew a parallel with the Temple Mount and the Mosque of Abraham in Hebron, which is now used for Jewish as well as Arab worship in spite of Muslim protests. It demanded that the Temple Mount should be restored to the situation prevailing before June, 1967, under which Muslim officials had full control of the whole area.

Israeli leaders have been surprised at the vehemence and duration of the protests, which have spread to Christian as well as Arab areas of the West Bank. They suspect that the Al Aqsa issue is being used as an excuse for expressions of support for the Palestine Liberation Organization.

The magistrate acquitted right-wing Jewish settlers of causing a breach of the peace by holding a prayer meeting near the Muslim shrine. The Israeli leaders point out that after the ruling, Mr Hillel, the Minister of Police, has made clear that the ban on Jewish prayers will remain in force for security reasons. The authorities have also appealed against the court decision.

Tel Aviv, Feb 19.—The Greek Catholic Archbishop of Jerusalem, Mr Elliarion Capucini, is being imprudently fed in Ramleth jail where he is serving a 23-year sentence for smuggling guns and explosives for Palestinian terrorists, it was announced today.

Mr Ari Nir Aqi, the director of Israeli prisons, denied rumours that the Archbishop, who began a hunger strike 10 days ago, was repeatedly losing consciousness.—Agence France-Presse.

Kenyan anger at claim to land by President Amin

From Our Correspondent
Nairobi, Feb 19

Kenyan turned out in thousands here today to demonstrate their support for President Kenyatta and their rejection of the claim by President Amin of Uganda that a large area of Kenya belongs to Uganda.

President Kenyatta said at a hastily organized rally here that Kenyans had shed their blood for their land and would not give up an inch of their land. Other rallies are taking place mainly in western Kenya, the area which was administered as part of Uganda from 1924 to 1962 and which President Amin has said should be allowed its own independence.

At today's rally here placards were paraded describing President Amin as a madman, a murderer, a Hitler and a Napoleon.

Last night President Amin repeated his claims that western Kenya and southern Sudan were "illegally" transferred from Uganda by Britain in the early years of the century. He said he would write to the Queen demanding an explanation of the Government's action over the passports.

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Leading article, page 15

Foreign Office threat to mercenaries' passports

By Stewart Tandler

As more British mercenaries returned home yesterday from Angola, the Foreign Office has announced that future contingents may have to surrender their passports before they leave Britain.

In the past week the police have collected passports from men coming home. The Foreign Office said that these will not be returned, and future applications will be refused unless they will not work as mercenaries.

The passports held by known organizers of the mercenaries have also been withdrawn. The declaration in their case states that the applicant will not travel to Angola as a mercenary and has "no intention of engaging in mercenary activities."

Yesterday, Mr Reginald Maudling, the Shadow Foreign Secretary, wrote to Mr Callaghan, the Foreign Secretary, asking for a full explanation of the Government's action over the passports.

In his letter, Mr Maudling said he was disturbed by the sanction and asked: "I think you will agree that the refusal of passports, which, in practice if not in theory, confines the individual to this country is an act of Government which, when practised in communist countries, we all strongly deplore."

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Leading article, page 15

Oil man 'gave' Mr Nixon \$50,000

From Fred Emery
Washington, Feb 19

On the eve of his departure in a Chinese airliner for Peking, Mr Richard Nixon has been named in a court settlement in Los Angeles as having personally accepted in 1958 \$50,000 (\$25,000) from the chairman of an American oil company.

Mr William Keeler, then the chairman and chief executive of Phillips Petroleum Corporation, a ranch-living American oil company, delivered the donation to Mr Nixon in his New York apartment as a purported contribution to his election campaign.

This was stated in a "stipulation," meaning agreed by all parties to the suit, attached to a wide-ranging settlement by Phillips of a suit with its stockholders, under which changes were to be made to its board of directors.

Corporate campaign contributions are illegal. The pardon granted by President Ford to Mr Nixon covers only Mr Nixon's time in office, beginning January 20, 1969. A spokesman for Mr Nixon at his San Clemente home stated: "We have no comment when asked about the disclosure."

This appears to be the first public allegation that Mr Nixon received money personally. He was accused in 1973 of allowing the purchase of diamonds for his wife and improvement of a swimming pool in Florida to be paid by his close friend, Mr Bebe Rebozo, out of left-over 1968 campaign funds. But after he was pardoned the special Watergate prosecutors concluded their investigation, saying: "The evidence would not support an indictment." Mr Nixon has always denied receiving personally contributions of any nature.

The disclosure comes at a time of sharp political agitation over Mr Nixon's acceptance of the invitation from the Chinese, and of genuine uneasiness over allegations of bribery by big corporations.

Mr Nixon, meanwhile, is apparently now to board the airliner the Chinese have sent at Los Angeles airport and not, as was proposed, at the Marine air base near San Clemente.

The airliner is reported to be waiting at Vancouver. There had been some sharp comment here about a country with whom the United States does not have diplomatic relations sending an airliner to a military base for Mr Nixon.

Mr Cornfield accused

Los Angeles, Feb 18.—Mr Bernard Cornfield, aged 47, former head of the Los Angeles branch of the Central Intelligence Agency (CIA), is being indicted today on charges of using illegal "blue boxes" electronic equipment which enables people to place free telephone calls.

He is charged with using \$10,000 (\$5,000) bail pending arraignment on March 15. He is accused of making 55 calls to London, Geneva and other overseas centres using the equipment.—Reuter.

Miss Hearst denies that her captors were kind

San Francisco, Feb 19.—Blinking back tears, Miss Patricia Hearst today conceded that parts of an underground interview with her were correct. She maintained that her kindly words about her captors were untrue, however.

On the first full day of cross-examination at her trial for bank robbery the young newspaper heiress said that on the day of her kidnapping, she was told by the Symbionese Liberation Army (SLA) that she would be kept alive. "I think they were sincere," she said.

"Who told you that?" Mr James Browning, prosecuting, asked.

"William Harris," she said. In her evidence-in-chief, Miss Hearst had portrayed Mr Harris as one of the most threatening of her captors.

Mr Browning took Miss Hearst, point by point, over the interview contained in her propaganda document found in her latest hideout. As he read from it, it was apparent that Miss Hearst's written description of her kidnapping, and captivity in a cupboard were identical to her evidence. When Mr Browning began to speak of her remarks about her captors' concern for her health and welfare, she disagreed, however.

"You are not right and the manuscript is not right," she said. "The manuscript says that, even though I was kidnapped, the people in the SLA were really nice to me and that's why I joined them. The whole tone of this is not right. The whole thing is incorrect."—AP.

Mihajlov refusal to abandon hunger strike

From Dassa Trevisan
Belgrade, Feb 19

Mr Mihajlov, the Yugoslav dissident writer who has been on hunger strike in a Yugoslav prison since December 5, has rejected pleas from his friends and relatives to end it. Unless his demands are met, he is ready to go on to the very end, he said.

Mr Mihajlov, who has been existing on tea and coffee alone, is serving a seven-year sentence for writing articles for foreign newspapers critical of various aspects of Yugoslav politics.

Since he began his fast he has lost almost 40lb. In a letter to his relatives he sent out of prison a week ago, he said he felt strong enough to persevere until the end.

He has demanded that political prisoners should be recognized as a special category and allowed to be together; that he should be allowed books and magazines from foreign and a transistor radio, and that he should be allowed to work.

Mr Mihajlov said that his cell is overheated and that he is suffering from the cold. Apparently the hearing is turned off while prisoners go out to work. Mr Mihajlov is the only prisoner who is not forced to do any physical labour in the Franska Mitrovica jail.

Dr Kissinger in Brazil to sign agreement

Brasilia, Feb 19.—Dr Kissinger, United States Secretary of State, arrived here today to sign a potentially controversial consociative agreement with Brazil.

The agreement, to be signed next Saturday, envisages regular consultations by Foreign Ministers on three broad areas—trade, technology and world problems.

In an arrival statement, Dr Kissinger paid tribute to Brazil as an emerging world power. "I am here to strengthen ties which, as Brazil becomes a world power, will be even more significant than in the past," he said.—Reuter.

Labour wins in Antigua election

St John's, Antigua, Feb 19.—A general election in Antigua has brought the Labour Party back to power in the Caribbean island after five years in opposition.

Final results in yesterday's poll gave Mr Vere Bir's Antigua Labour Party (ALP) 10 seats in the 17-seat Parliament. The Progressive Labour Movement (PLM), an independent and a tied result, which will be decided in a by-election.

Señora Perón will not seek reelection

Buenos Aires, Feb 19.—President Perón has bowed to political pressures and announced that she will not stand for reelection this year. But she added that an "unavoidable" historical responsibility "to stop the Argentine working classes becoming communist" forced her to stay on for her full term until May, 1977.

Señora Perón said in an unscheduled three-minute speech last night: "I am not interested in reelection." She added that elections would be called before the end of the year.

If she stepped down now, communism would profit from the break-up of the Peronist movement.

There have been widespread reports in recent months that leading guerrillas are setting up "soviets" in factories, and are depriving the pro-Government Peronist labour leadership of support.—Reuter.

Canadian Tories gather to choose new leader

From Our Correspondent
Ottawa, Feb 19

Canada's Progressive Conservative Party today opened a four-day convention to choose a new leader. It is hoping to find the right person to bring the party victory in the next general election, expected in 1978.

Twelve candidates, including one woman, are in the running to succeed Mr Robert Stanfield, who is resigning the leadership after eight and a half years. During this period the Tories lost three national elections. Mr Trudeau's Liberals won the last two.

At least six candidates are also taken seriously. Mr J. Clark, a 35-year-old MP from Alberta, and Mr Brian Mulroney, aged 37, a Montreal lawyer, who has never held a seat in either the Quebec legislature or the federal Parliament, but has good connections in the party and is credited with more charisma than his opponents.

Yesterday, Mr Reginald Maudling, the Shadow Foreign Secretary, wrote to Mr Callaghan, the Foreign Secretary, asking for a full explanation of the Government's action over the passports.

In his letter, Mr Maudling said he was disturbed by the sanction and asked: "I think you will agree that the refusal of passports, which, in practice if not in theory, confines the individual to this country is an act of Government which, when practised in communist countries, we all strongly deplore."

During the day, 18 mercenaries flew into Heathrow airport and were met by police, who questioned them before they left for their homes. They were greeted also by Mr Charles Christie Douglas, from Walsall, Staffordshire, who has remained at the airport most of this week, hoping to find his son Charles among the returning mercenaries.

Other relatives have been keeping in touch with the Foreign Office for news, but there is no list of casualties yet. There are now 100 mercenaries in the mountain area left in Kinshasa, Zaïre.

Leading article, page 15

ENTERTAINMENTS

What's on in London and the South East

OPERA AND BALLET

COVENT GARDEN 240 1000
TONIGHT: The Royal Opera: *La Traviata*.
TOMORROW: The Royal Opera: *La Traviata*.
WEDNESDAY: The Royal Opera: *La Traviata*.
THURSDAY: The Royal Opera: *La Traviata*.
FRIDAY: The Royal Opera: *La Traviata*.
SATURDAY: The Royal Opera: *La Traviata*.
SUNDAY: The Royal Opera: *La Traviata*.

THEATRE

ADOLPH THEATRE 01-254 7511
TONIGHT: *The Norman Conquests*.
TOMORROW: *The Norman Conquests*.
WEDNESDAY: *The Norman Conquests*.
THURSDAY: *The Norman Conquests*.
FRIDAY: *The Norman Conquests*.
SATURDAY: *The Norman Conquests*.
SUNDAY: *The Norman Conquests*.

CONCERTS

ROYAL FESTIVAL HALL 01-254 7511
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TOMORROW: *The Norman Conquests*.
WEDNESDAY: *The Norman Conquests*.
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SATURDAY: *The Norman Conquests*.
SUNDAY: *The Norman Conquests*.

they do not.

Parliamentary notices

House of Commons

Today at 11.00: Homes Bill and Criminal Punishment Bill, second readings

of British Rail to begin a reduction of railway services on March 1, coupled with the decision to further increase fares by 17.5 per cent on March 28.

He said this was a recipe for the certain continued decline of the railway network. It seemed likely

port system, contrary to the takings in the Labour man-

British Rail had announced a decision even while taking place with the concerned. The only pos-

deferment of cuts was action in Parliament.

The Speaker—The sooner we get away from this the better. (Cheers.)

I challenge (he said) the policy of the Government of Great Britain around our coast through international waters. It was a policy of over-policing and patrolling authority.

Mr. Robert Croyer (Keighley, Lab.) unsuccessfully sought an emergency debate on the decision of British Rail to begin a reduction of railway services on March 1, coupled with the decision to further increase fares by 17.5 per cent on March 28.

Mr. Croyer said that because of the certain continued decline of the railway network, it seemed likely

The Bill was read a second time.

The clause was agreed to and the committee and report stages were completed.

The Bill was read a second time.
House adjourned, 5.35 pm.

Dr J. K. Luffingham, BDS, PhD (London), senior lecturer in orthodontics, has been appointed to the chair of orthodontics, in succession to Professor T. C. White.

Photographic Interpreter: Branch FO
Off. T. G. Southern, 11, Auchin-
cruchy SS.
Sandy Branch: Pitt Oil Co., L. Nolan,
10, Colonside Hall St., Salford, L., Cam-
bridge.
Rotherham Branch: Pitt Oil Co., W. S.
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Austrian
Commercial Delegate
Lyda Park Gate
London SW7 5ER

Edinburgh

a Special Report on the city
as the financial centre of Scotland

More attractions than oil and independence

by George Brodrie

Edinburgh was the Athens of the North, a centre of intellectual brilliance, in the days of Scotland's independence. That brilliance faded, alas, and the best thinkers and writers drifted to London, except perhaps Stevenson whose body may have travelled far but whose spirit remained in the Lowlands. Today, as the return of political power seems near, a new dazzling period may be opening when the world's eyes will again turn to Edinburgh, this time as the Zurich of the North.

It is becoming an entrepôt for world capital, channeling money from those who have it to those who can use it profitably.

For a century this kind of business has been going on in Edinburgh and to a lesser extent in Aberdeen, Dundee and Glasgow through the investment trusts, but today it is widening. The Scottish banks began because 100 years ago astute lawyers and accountants found they could borrow at 4 per cent at home and lend at 8 per cent on real estate in the United States.

There began the association between Edinburgh and the American stock markets, which is said to be still closer than that between London and New York. Trust managers are constantly crossing the Atlantic to study investments in the United States and American brokers come to Britain to present their wares. Today the trusts are helping American companies in Britain through back-to-back loans in exchange for free dollars to invest in the United States.

Although Scotland and England were politically united, a good measure of the financial autonomy remained in Scotland in the eighteenth and nineteenth centuries. Through independent joint stock banks issuing their own notes, independent insurance offices and the investment trusts. In the first half of the twentieth century this autonomy was eroded by

Barclays taking over the British Linen Bank, by the Midland absorbing the Clydesdale and North of Scotland banks and Lloyds taking over the National Bank of Scotland. All but one of the composite insurance offices—General Accident—disappeared into English groups when their directors panicked about underwriting losses in the United States. The life offices, being mostly mutuals, survived.

The sell-out of the North British & Mercantile, Caledonian Insurance and Scottish Union and National in the 1950s could be taken as the low point of the Scottish financial spirit. Since then the movement has been the other way. The clearing banks have been streamlined into three with only Clydesdale now wholly owned by the Midland Bank. The Royal Bank of Scotland is part of the Scottish-based National and Commercial Banking Group in which the Lloyds stake is now 16.37 per cent. Barclays holds 35 per cent of the capital of the Bank of Scotland, a stake it obtained in exchange for British Linen Bank which the Bank of Scotland absorbed.

In the past 10 years the scope of banking in Scotland, and in Edinburgh in particular, has been greatly widened by the development of merchant banking and by the arrival of American, Canadian, European and two English clearing and one of the discount houses.

At the same time the Royal Bank has opened representative offices in New York, San Francisco and the East and the Bank of Scotland has become active in Houston and is a major participant in the International Energy Bank.

Why all this has happened in the past 10 years is an interesting question. Ask the stock banks issuing their own notes, independent insurance offices and the investment trusts. In the first half of the twentieth century this autonomy was eroded by



St Andrew Square: "The New Town, despite its name, is eighteenth century, one of the first and among the most splendid examples of town planning in the British Isles."

in Scotland ahead of self-government and they will again say no. (You would not expect them to say anything else on the record, but privately their spokesmen admit that it is not a bad thing to be in on the ground floor.)

They all say the same thing—that they have come north because Edinburgh is an important financial centre and because they believe Scotland has an exciting future.

The financial awakening began in the 1960s when Angus Grossart, an advocate then practising at the Scottish Bar, and Ian Noble, an economist, founded the merchant bank, Noble Grossart.

Until this bank was formed Scotland had little in the way of merchant banking and businessmen had to go to London for advice on corporate finance, mergers and issues and it has been said that the lack of a Scottish merchant bank was one of the reasons why so many Scottish companies were taken over by English

concerns. Now the clearing banks have developed their merchant banking arms and another, McNeill Pearson, is in business in Edinburgh and the full range of service is now available in Scotland for those who seek it.

By creating Noble Grossart Investments the young merchant bank performed another service. It created a vehicle through which Scottish financial institutions could provide funds for small but growing companies. In the past the trusts and insurance offices had often been criticised for investing everywhere except at home.

Then Ivory & Sime, the fund managers, brought Edward Bates & Sons to Edinburgh. This venture went through a troubled period when Bates became involved with Welfare Insurance. What is important now is that Noble Grossart and Edward Bates mobilized the Scottish institutions in the search for and exploitation of North Sea oil through such new companies

as Pict Petroleum, Caledonian Offshore, Viking Oil and Caber Oil.

To the credit of these institutions it must be said that they were the first to spot the importance of North Sea oil.

One obvious reason for the coming of the American banks is the presence in Scotland of so many major North American corporations, including General Motors, Singer, Caterpillar, Tractor, NCR, Chrysler, Giddings & Lewis-Fraser, Goodyear, and IBM. It was only natural that the banks should follow their customers.

This communications service is particularly important for multinationals, including the Scottish-based multinationals. If they do business with an American bank which has branches or representative offices throughout the world they can contact overseas subsidiaries or associates quickly through the bank's international network.

Mr James Pierpoint, manager of First National Bank of Chicago in Edinburgh, is greatly delighted with his response he has got since his bank came there in 1974. "Our business ratio is now 90 per cent Scottish and 10 per cent American," he told me. "I would like to get some more American business to make it 80-20." First National is now considering opening up in Glasgow, too.

Although they did not come primarily because of North Sea oil, all the American banks are providing money for the exploration consortia and support companies. In this they collabor-

ate with the Scottish and English clearing banks and merchant banks in London and Edinburgh. The needs of North Sea oil are so vast that no one financial centre could meet them alone.

Credit Lyonnais decided to start business in Scotland at the end of 1960 because British banks seemed then about to enter the EEC and because Scotland had an individual character. As things ultimately turned out their thinking proved to have been right. Britain did join the EEC and the discovery of oil made Scotland a still more exciting prospect. Like the American banks, Credit Lyonnais can offer international links through 4,000 branches. It can be a particularly valuable source of information about European investments.

The most recent arrivals are Union Discount Company of London and National Westminster and Barclays. Union Discount, whose modest Edinburgh office is linked to all the major financial centres in the world, has

greatly strengthened the developing money market in Edinburgh which has grown up in recent years largely to serve local authorities. Clearing is still through London.

National Westminster and Barclays share one reason with the Americans in coming north. They both have a fair number of corporate customers in Scotland whom they want to look after. National Westminster has opened a full-scale branch which is exceeding expectations in both corporate and private business. "People are coming in off the street to open accounts," one of the executives said the other day. Its merchant banking subsidiary, Country Bank, has now also opened in Edinburgh. So far Barclays is contenting itself with a representative office.

The movement is not all into Edinburgh. Noble Grossart was employed by the Kuwait Government to act for it in its successful £107m bid for St Martin's Property Corporation.

The notable absentee to the Edinburgh financial scene is, of course, a stock exchange. There used to be an independent one in the city but it was merged into the Scottish Stock Exchange, whose main floor was in Glasgow, and then into the United Stock Exchange, which covers the whole of Britain. A sad part of this story was what happened to the building. A few years ago the old building was demolished to make way for a new exchange with a magnificent dealing hall.

By the time it was completed the stock exchanges had merged and it was not required. The Bank of America agreed to take over the building but it was then found to be unsafe and the bank had to go elsewhere. By that time, too, the building had gone bankrupt. Now another new building is rising on the site.

Although there is no local stock exchange, a future Scottish Government will have at its service a very modern outward-looking financial structure. Indeed, a self-governing Scotland could well develop along the lines of Switzerland with an economy based on agriculture, engineering, industry, tourism and financial services. Numbered bank accounts? Yes, we may see that as well.

The author is financial editor, The Scotsman.

Fighters for an historic skyline

by Iain Crawford

One aspect of Edinburgh which always takes the unknowing visitor by surprise is the post-historical wander. When you have "done" the castle and the Royal Mile and inspected the highly imaginative row of Scottish kings at the Palace of Holyroodhouse, which Charles II had daubed by a jolting Dutch portraitist Jacobus de Wet, you probably think you have paid sufficient touristic homage to Edinburgh.

Then it is off to Princes Street and down the hill towards one of Edinburgh's chief glories, the New Town.

The New Town, despite its name, is eighteenth century, one of the first and most splendid examples of town planning in the British Isles. When old Edinburgh, built along the craggy spine of rock which runs from the castle gates to the portals of Holyroodhouse, below the city's own domestic mountain, Arthur's Seat, grew too close-knit, too overcrowded and insanitary, when the grimy lands which were the earliest of skyscrapers could reach no further towards heaven from the ridge of the old city without danger of tumbling into the Mor Loch or the ravine of the Grassmarket, the city fathers under the imaginative Lord Provost George Drummond planned the New Town.

Across the Nor' Loch, once a marsh and made a loch by James II as part of the castle defences, a new town was built, designed as an entity by a young architect, James Craig, in the stately neo-classical style which was the fashion of the times. On James Craig's New Town, George Street was the centrepiece.

Today, George Street is possibly the perfect example of the premise that you cannot really ruin a good idea.

continued on next page

The story of the happiest night of my life.

4 am. I'm in a sweet sleep. Suddenly a hand tries to dislocate my shoulder. 'It's started!' This is it. The moment I have been planning for months: 20 seconds to get dressed, 4 minutes to get to the car, 10 minutes to get to the hospital. But I can't find a shoe. I flood the carburettor. The taxi takes an hour. And then I sit in a dark empty corridor till morning when a nurse says 'You've got a little boy'.

After the cigars and the celebrations...the responsibilities. And here you need a little help. The sort of help we believe life assurance is designed to give. Look at a Scottish Widows Flying Start Endowment Policy for example. If you took one of those out on the day your boy was born you could relax about his future. And enjoy your cigar.



At Scottish Widows that's what we believe life assurance is all about: helping you live your life to the full. Ask your broker about our approach. About our policies. About our record.



SCOTTISH WIDOWS
A better life assurance.

The wide range of investment services offered by Save & Prosper

At Save & Prosper we have an exceptionally wide range of investment funds and services which can enable you to realise your aims in a simple and tax-efficient way. By making use of these funds and services you can also benefit from having your money under the constant supervision of professional investment managers.

In addition to the products listed below, Save & Prosper also

offers a House-Owners Retirement Income Scheme, Pension Schemes, Insurance Plans and a Share Exchange Plan, which can provide an attractive way of exchanging your shares on advantageous terms for most of the Group's products.

Save & Prosper Group is one of Britain's leading investment services organisations, managing funds of around £700 million for 700,000 people.

UNIT TRUSTS

By investing in a unit trust, you can obtain a far wider spread of investment than you could readily assemble on your own. In this way you have easy access to investment overseas and can enjoy certain capital gains tax advantages as compared with direct investment in shares. We offer two main types of funds.

Broadly-based funds These invest across a broad range of stock market sectors and are designed for the investor who wishes to have a widespread investment, the actual balance being decided by the investment managers.

Some of these funds invest world-wide and provide a complete basic equity portfolio with no particular specialisation. Other funds aim to meet specific income objectives such as a high immediate income or a gradually increasing income and in view of these aims, their assets are currently confined almost entirely to UK equities.

Specialised funds These funds concentrate on particular geographic areas such as the United States, Japan and Continental Europe and on major investment sectors such as energy, commodity shares and finance. In the case of those funds invested overseas, the practical difficulties of currency management and the researching of overseas companies are carried out by managers with wide experience in these matters.

INVESTMENT BONDS

The Save & Prosper Investment Bond is one of the most versatile contracts now available. It can be linked to any of the three funds below or to any one of 23 unit trusts, and there is the flexibility to switch from one fund to another at low cost. There is also a withdrawal facility which allows bondholders to withdraw 5% of their initial investment each year for 20 years, free of all personal tax at the time.

Property Fund This represents one of the few ways that the private investor can enjoy a direct investment in commercial and industrial property. The fund is currently invested in prime shop, office and industrial property in areas of good economic growth potential, both in Britain and Continental Europe.

Since the fund was launched in 1971, it has been one of the best performers and is now one of Britain's largest property funds.

Balanced Investment Fund This provides a balanced portfolio invested in a combination of property, equities, fixed interest securities and deposits, in proportions decided by the managers. The fund invests in property through the Property Fund and in equities through the Group's unit trusts.

Deposit Fund This is invested in capital deposits through the London money market and provides a valuable haven for capital in times of uncertainty.

ANNUITIES

An annuity is an effective way of substantially increasing the net return from your capital, especially if you are near or over retiring age. We offer a complete range both for single and joint lives and you can obtain a quotation through your usual professional adviser or directly from us.

SCHOOL FEES PLANS

We can help reduce the burden of school fees through the School Fees Capital Plan and the School Fees Income Plan. Both of these Plans offer substantial savings in the cost of school fees and provide a series of guaranteed payments while the child is at school. Furthermore, there is no personal basic rate or higher rate income tax liability in connection with either Plan, and this makes them particularly attractive for higher rate taxpayers.

FURTHER INFORMATION

For full details of any of our funds and services, please contact: Save & Prosper Group, Exchange House, 68-73 Queen Street, Edinburgh EH2 1JN. Telephone: 031-226 7331.

SAVE & PROSPER GROUP

Life insurance still in good health

by Alan Grant

Last year was a good one for Scotland's life insurance companies but not quite so good for General Accident, Scotland's big "composite" firm. Motor insurance losses were the main cause of the latter's deficit on the purely insurance side in the first nine months of last year: and a fairly low overall profit was only attained with the help of a healthy surplus on investments.

The fact that motor insurance losses in the United States contributed substantially to General Accident's deficit is an indicator of the firm's heavy overseas involvement: 60 per cent of its business originates from outside Britain. It is proof, too, that a Scottish location—even a town the size of Perth (population 43,050)—is no bar to running a complex, worldwide insurance and investment business.

However, it is in life insurance that Scotland's strength really shows. The capital, Edinburgh, is the undisputed centre: six out of nine life insurance companies have their headquarters there. They include Standard Life Assurance Company, the largest "mutual" insurance firm so named because they are owned by the policyholders—and third biggest life insurance company in Britain.

Incidentally, Standard Life's pension funds total ranks also among the top three in Britain. Moreover, among the top six mutual life insurance companies are the next two largest in Scotland, Scottish Widows' Fund & Life Assurance Society and Scottish Amicable Assurance Society. They are also among the oldest in Britain, 151, 162 and 150 years old respectively.

A sizable proportion of Standard Life's business is derived from Canada where it set up a branch office (in Quebec) before even opening up in London. Of its pension funds total of about £500m, about 40 per cent is insured in Canada: even so the British share represents about 5 per cent of all United Kingdom pension funds, or 10 per cent of all private pension funds.

The size of its pension fund operations is one of

the main reasons why the Government's new Social Security Pensions Act affects Standard Life closely, particularly in new business which is now almost at a standstill while companies make up their minds whether to stay in or contract out of the state scheme. The general view among leading Edinburgh pension fund managers is that most of the private schemes will contract out, especially in inflation-moderated and consequently index-linking presents less of an attraction.

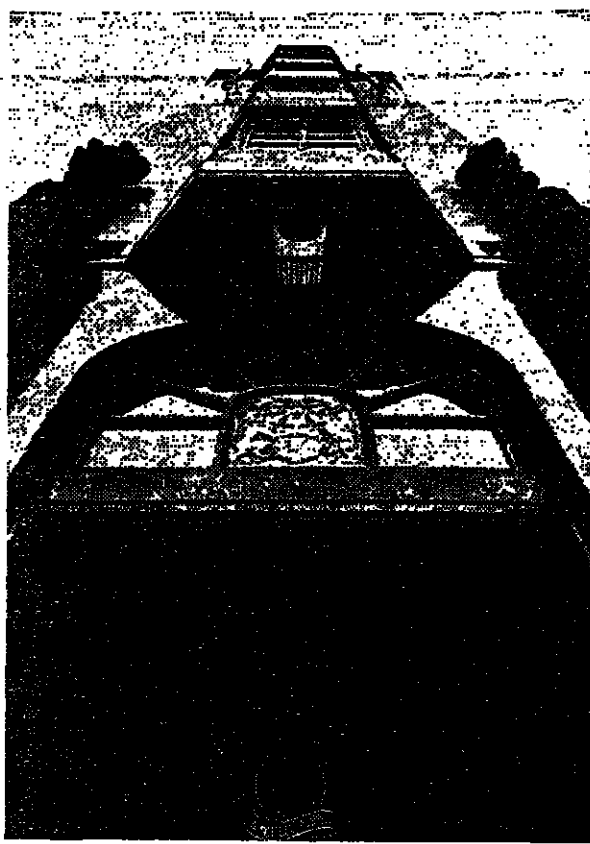
Whereas life insurance in its various forms provides some protection against inflation, few would, or could, offer "inflation proofing" against the rate of nearly 27 per cent that Britain experienced last year.

One of the smaller Scottish life companies, Scottish Equitable, introduced a policy which, in the case of death, provides for a 5 per cent yearly increase in the family income during the term of the contract. One of the big three firms, Scottish Amicable Assurance Society, is now running the second series of its unlinked insurance schemes to improve flexibility.

But most of the other companies cite performance in the traditional "with-profits" policies as a means of coping with all but the 1975-type inflation.

Surveys carried out by The Economist between 1950 and 1975 show that the Standard Life Assurance Company and the Scottish Widows' Fund & Life Assurance Society lead the United Kingdom's with-profits claim values on death in 40-year contracts as well as in endowment assurance over 25 years. The Scottish Provident Institution, fourth largest in Scotland, is also among the top 10. On its own estimate Standard Life claims to have paid out 96.7 per cent of the highest maturity values quoted in nine surveys during the period. "We paid out more than any other single office concerned", the company says.

Looking purely at pension funds, a recent survey by Harris Graham, pension consultants, shows the Scottish Mutual Assurance Society



Guardian Royal Exchange offices in St Andrew Square.

as having the third highest performance in the United Kingdom in life equity funds. Scottish Amicable Assurance Society is the leader among mixed funds and two Scottish Widows' funds are third and fourth respectively. No Scottish fund appears among the bottom four performers.

Altogether, the latest available statistics (1974) put the total assets of Scotland's mutual life insurance companies at more than £2,600m compared with £2,600m in 1973. The difference arises from equity depreciation in 1974. Preliminary reports for 1975, with a revival of the stock market, suggest an assets total considerably above the 1974 figure.

There was also a sizable increase last year on new sums assured: £1,082m for Standard Life (up £260m on 1974), £660m for Scottish Widows (up £150.5m), £350m for Scottish Provi-

dent (up 36 per cent); and performance in the United Kingdom in life equity funds.

Scotland has been always a strong base of trustee savings banks, accounting for nearly 18 per cent of total United Kingdom balances in 1974.

By far the biggest group (in Scotland) is the West of Scotland Trustee Savings Bank, one of four Scottish regional banks formed in 1974 after the recommendations of the Page committee. It has total assets (including TSB unit trust holdings) of £300m, well over one-third of all TSB assets in Scotland.

Another recommendation by the Page committee, which is being carried out by parliamentary legislation in the present session will enable trustee savings banks to provide a full personal banking service and so become (in the words of the committee) a "third force" in British banking.

Ver Edinburgh fund managers are traditionally American-oriented, with great knowledge of and confidence in the resilience of the United States economy.

Moreover, like the majority of City of London operators, they are sceptical about the British Government's ability to keep inflation in check and restore confidence in a lasting economic recovery.

British Assets' solution to the problem which had been set not only by the rising British share values but also by the high dollar premium (which amounted to almost one-fifth of the fund's total assets at one time last spring) was to sell some

Preference to spread investments widely

by Angus Black

overseas investments, and reinvest the repatriated dollars in British multinational investments abroad.

A rather different and in many ways far more formidable problem faced another Ivory and Sims trust, Atlantic Assets—an unusual trust in the sense that, unlike most, a large proportion of its assets is concentrated in three major investments.

The three are Haw Par, the Singapore-based industrial holding company, at present under investigation, in which an 11 per cent stake was acquired from Slater Walker Securities for £4.2m in June, 1974; Edward Bates, a merchant bank floated by Atlantic Assets in December, 1972, which is suffering from serious difficulties caused by losses from property loans and investments and the purchase of an insurance company; and the major unit trust group Save and Prosper.

Haw Par, its Stock Exchange quotation suspended, has had to be excluded from the trust's valuation, and on top of this, the trust is burdened with payments for the acquired stock. The Bates holding has declined from the original 32 per cent of the equity to 23 per cent, with the Middle East consortium, which now holds nearly 25 per cent of the equity, having an option to

buy a further 15 per cent from Atlantic. To ease Bates's liquidity problem, Atlantic took over one of its subsidiaries, the United States-based Bares Oil Corporation, which also figured highly in the trust's transactions last year. Nevertheless, shareholders who saw their dividend halved in the 1974-75 financial year were heartened by the results in the second half of 1975 showing an increase in pre-tax profits of nearly 80 per cent.

As indicated, Atlantic is an unusual investment trust and the big majority of Scottish fund managers prefer to spread widely their investments—and risks. The upheaval in the peculiar British problem of premium dollars, the need to produce a high return on investments in a year in which the inflation rate was at one time touching 27 per cent while at the same time trying to preserve capital, presented a formidable challenge to the ingenuity and nerve of fund managers.

One well-known non-Edinburgh trust seems to have done well over the past two critical years without apparently doing much to the portfolio, provoking the comment by a competitor: "The board might as well have gone on a long holiday for all their efforts."

Despite all the preferences and traditions there has been a shift in

continued from previous page

Craig's New Town had Princes Street as its boulevard with its dramatic, scenically breathtaking view over the Old Town and the castle on its rock, a fortress of permanence against the streaming clouds; Queen Street, looking over gardens to the green hills of Fife beyond the pewter waters of the Forth; with George Street crowning New Town ridge, encapsulating every architectural and design virtue which the old town had abandoned, a spacious elegant thoroughfare, performed at each end by a magnificent square.

Two centuries later, the sheer splendour of the concept remains. The modestly-sized houses which Craig's New Town has been replaced by everything from Victorian imitations of Pericles' Athens to terraced, steel-cored, concrete horrors in which the glass area seems to offer filling cabinets, desks, typists and office machinery as part of the architectural facade. Luckily, there are not too many of these, probably because there are too many people in Edinburgh who care about architecture.

George Scott-Moncrieff, an old friend who died last year, once described David Bryce, the architect of Scotland, which glares at us in a green floodlight like a pantomime demon from the mound at festival time, as "a hideous conglomeration of architectural fatuity"; it is that spirit which has prevented skyline microchasm on a large scale and similar landscape blighting in Edinburgh. The citizens of Scotland's capital complain vociferously at every new attempt to destroy the outline and grace of their city with less cause and more vehemence than almost anywhere else in Europe.

George Street still has the Georgian Assembly Rooms midway between the two great pinnacles of St Andrew Square and Charlotte Square and St Andrew Church at the east end to remind it of its great eighteenth century inheritance. St Andrew's Kirk, where the once-famous disruption meeting of 1843 took place which shook holy Scotland from end to end, was originally designed to be the end-piece of Craig's scheme, in the centre of the east side of St Andrew Square.

But the aristocrat who owned the land, Sir Lawrence Dundas, thwarted Craig's plan to build a church to St George at one end of the new town and to St Andrew at the other. The result was a gap in the town's continuity, a gap which has never been filled. The result was a gap in the town's continuity, a gap which has never been filled.

the Edinburgh market from United States stocks during the past year, of which British Assets is just one example. The Far East and Europe (particularly since the referendum's resounding confirmation of British membership of the Community) have offered attractive alternatives, the latter providing an opportunity to improve asset values, if not high yields.

Although Scotland's share in the unit trust sector is not as large as its investment trusts, Save and Prosper is among the biggest unit trust groups in Britain and among half a dozen managed in Edinburgh. The group claims to manage funds of about £600m on behalf of 700,000 investors spread over a range of opportunities which include unit trusts—some of them largely United Kingdom based, others concentrating their portfolios in particular parts of the world—as well as property bonds, unit-linked pension and other schemes appealing to specific groups of investors.

Looking at the winners eye on North Sea oil which, according to some, may turn out to be the winner in the absence of Scottish second half of the decade.

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based unit trusts, though the list does contain one each in the top and bottom dozen in the United Kingdom. The reason, as in the case of most Scottish-managed investment trusts, must lie in the traditionally cautious approach by Scottish financial institutions to radically and frequently changing situations as experienced in recent years.

Even Atlantic, which has experimented and consequently suffered more than most, could point to the fact that it has managed to retain or recover all the £2m originally invested in Bates just over three years ago.

As for using Edinburgh for the base of their operations in preference to the City of London, fund managers emphasize that with tickers, telephones and air-craft, the high office rents in London, as well as their large involvement in non-United Kingdom stock have more than justified the decision to stay put. Moreover, they say, they can keep a better eye on North Sea oil which, according to some, may turn out to be the winner in the absence of Scottish second half of the decade.

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Banking enterprise existed long before the oilmen came

by Roderick Martine

Aspire a population of 211,700, less than one share of the whole of the United Kingdom, Scotland has higher than the previous £140m and foreign currency deposits which rose on average by 87 per cent from a sterling equivalent of £75m to £130m.

The Clydebank Bank's year ended on December 31 and latest figures have not been published yet. Total assets at the end of 1974 were £724m and the profit for that year was just over £8m before tax. It seems likely that total assets will have increased to nearly £800m and pre-tax profits should not be less than the 1974 figure.

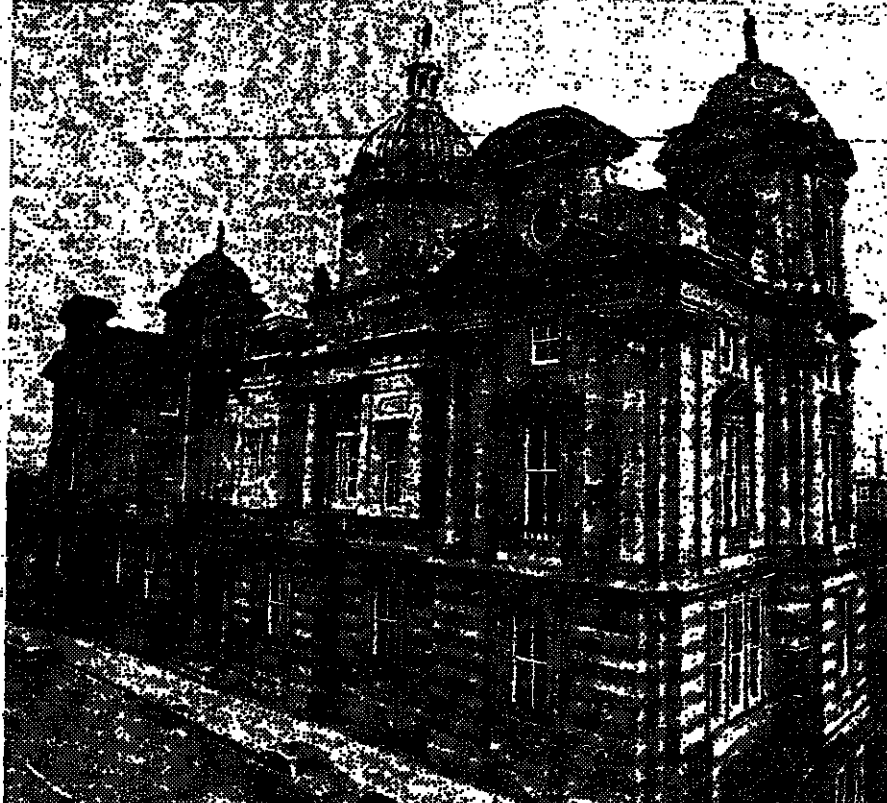
Obviously, the emergence of North Sea oil development played no small part in this flourishing face of Scottish banking. To their credit, the big three, followed by a small army of financial institutions, wasted no time in carving out their slice of the business. The Royal Bank, for example, is believed to have contributed well over £100m towards the financing of BP's Forties Field.

Scotland's clearing banks are not going to miss out on future opportunities, but steeply rising costs, lower base rates, recession and sluggishness in the growth of money supply have made their impact. The message received is "Proceed with caution".

The Bank of Scotland, which has a 15 per cent share in the International Energy Bank, has a 5 per cent share in North Sea Assets, an unquoted investment company. In addition, it provides loan finance to oil and gas field operators and supplies and service companies. To this end, a separate oil division has been created to advise on technical problems. Then again, working together, all the three clearing banks have subscribed some £17m towards the financing of BP's Forties Field.

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The author is editor, *Business Scotland*.



Two big investors in the North Sea, the Royal Bank of Scotland (left) and the Bank of Scotland. The former plays an important role in financing onshore facilities, the latter in financing exploration.

Mixing tradition and aggression in an unusual market

by a Special Correspondent

Merchant banks in Scotland are generally more flexible than their London counterparts because of the curious nature of the market they serve. Although with a traditional emphasis, they are or the most part young and perhaps required to be more aggressive. They have established themselves quickly and strongly as an integral part of the financial community, particularly in Edinburgh.

Noble Grossart, Edinburgh based, was formed in 1969 with an initial capital of £300,000 and the backing of four of Scotland's leading investment trusts. Now, with a total staff of only 15, assets amount to £20,414,981 and profits have been rising with each year of business. Profits for 1974-75 were up 43 per cent on those of the previous year and audited accounts published last week show pre-tax profits of £730,563 for the year to January 31, 1976, against £608,096 for 1975.

Not surprisingly, North Sea oil has given momentum to most of Scotland's banking activities, and Noble Grossart was instrumental in the setting up of Pict Petroleum and Cable Mobile Bank, Singapore and Oil, two North Sea exploration consortia, and North Sea Assets, which had total assets of over £22.5m at September 30, 1975, now has a portfolio of investments which encompasses most aspects of North Sea service and supply.

Edward Bates and Sons, a quoted company and floated by Ivory & Syme's Atlantic Assets, has offices in Aberdeen and Edinburgh. It manages two oil exploration companies operating in the North Sea—Caledonian Offshore now operating in block 29/2 and Viking Oil

and was responsible for floating Clyde Petroleum which it now manages and which is bidding at present for Anglo-Ecuadorian Oil Fields (51 per cent owned by Burmah). Last year they floated Petchen, an oil services company.

Also based on the west coast is the James Finlay Corporation, formed in 1973, a subsidiary of James Finlay & Company, the industrial holding company whose fortune was based on tea. It has recently launched Scottish Offshore Investment, which has an approved capital of £1m.

Fairly new to the Scottish scene is the County Bank, a subsidiary of the National Westminster Bank. Established in the City in 1969, it expanded rapidly and assets are now in excess of £450m. Operating activities encompass three divisions, finance, corporate advisory and investment, and this month it throws open its doors in Edinburgh.

It says a lot for the market that enough Scottish business has already come its way to establish the County Bank firmly on its feet.

The British Bank of Commerce is wholly owned by Grindlays Bank, which in turn is 49 per cent owned by National City Bank of New York and 51 per cent owned by British interests. Because of this, the British Bank of Commerce is in a position to lend money widely and has a brief to concentrate on Scotland.

Separate figures are not available but involvements include a number of prominent Scottish industrial companies. Scottish Industrial Finance is the Scottish corporate finance arm of the Industrial & Commercial Finance Corporation. Its offices in Edinburgh, Glasgow and Aberdeen, acts as financial adviser to a number of Scottish listed companies. It has handled

the greater portion of all conventional new issues in Scotland since 1964, and was responsible for new issues such as Watson & Philip, A. G. Barr, Reo Stakis and F. J. C. Lilley.

A number of other English banks have also opened branch offices in Scotland. Among these is Henry Ansbacher, a member of the Fraser Ansbacher group. Since 1971 the Edinburgh branch has been particularly active in banking, but corporate finance business has tended to be quiet, although future prospects indicate a change of emphasis.

By all appearances Scotland has proved and is continuing to be a fertile ground for merchant banking activities. None the less, the competition has grown, and in future the big prizes may not be so easily won. Scotland's merchant banks are maturing and there are plenty of opportunities for all.

Money on the doorstep

by Andrew Hargrave

Scottish institutions, sitting as they do on the doorstep of North Sea oil and gas developments, have taken a close interest in providing finance and so claim a fair proportion of the eventual yield.

Scottish banks and other institutions contributed in proportion to their resources to the consortium of BP's Forties Field, the first main field to come on stream. It was, incidentally, a method of financing (off-balance sheet) which is not likely to be repeated and is being replaced by equity or loan financing. There have been several examples of these recently.

The Bank of Scotland has a 15 per cent stake in the International Energy Bank which, after arranging a \$250m loan for the Piper Field just over a year ago for Occidental and the Thomson group, has followed it with a \$280m loan for the same two groups for the Claymore Field near by. Both fields are south-east of the island of Orkney. The other two Scottish clearing banks, the Royal Bank of Scotland and the Clydesdale Bank, are more involved in the financing of onshore facilities and supplies; the latter in particular in arranging finance for all the platform building yards.

The total committed to North Sea oil financing by the three Scottish banks alone is estimated at more than £250m.

Two investment companies supported to a considerable extent by Scottish institutions (General Accident, James Finlay & Company as well as several investment trusts) are London and Scottish Marine Oil (LSMO) and Scottish Canadian Oil (SCOT).

The two companies, already under common management and about to merge, jointly have a 9 per cent interest in the giant Ninian field, off Shetland, as part of the Ranger Group. They have already raised £22.5m in equity and have embarked on a stock-and-equity offer (which should allow subscribers to benefit directly from well-head profits) totalling £76m, one of the most ambitious and original schemes undertaken so far.

Smaller but still significant financing operations have been undertaken by Pict Petroleum, a company managed by the merchant bankers Noble Grossart which has a share capital of £4.5m subscribed by 29 Scottish institutions. Pict has a 15 per cent stake in a consortium led by Monsanto and Deminor, the German exploration company, which recently struck oil in 15/21 block, 100 miles north-east of Aberdeen.

On the onshore financing side, North Sea Assets (NSA) founded in 1971 and managed by Noble Grossart (the investment strategy is in the hands of Ivory & Syme) has committed £21m to exploration support and was in the happy position of declaring an after-tax profit of £2.44m for the year ended September 30, 1975, with reserves exceeding £3m.

NSA's large single investment is the more than £4m committed in the form of equity and loans (with a further £6m guaranteed) to the Viking group of companies which operate the Viking Piper pipelaying barge. The barge is well on the way to completing a 100-mile pipeline from Shetland to the Ninian Field and the group is bidding for the next contract. The profit figures, expected to appear in the 1976 accounts, will certainly be of interest as Viking Piper is the first of a new generation of pipelaying barges.

Another home-based Scottish merchant bank, the

James Finlay Corporation (a subsidiary of the industrial holding company which is one of LSMO-SCOT's larger subscribers) has also set up an onshore investment company, Scottish Offshore, which recently announced its first, though fairly small investment. Scottish Offshore's initial capital is only £1m, but the approved capital of £18m suggests the prospect of more ambitious financing operations.

East of Scotland Onshore, launched by the Edinburgh-based fund managers East of Scotland Investment Managers (which also manage several investment trusts) is the most recent of the providers of North Sea oil and gas finance. The fully subscribed issue is for £12.5m which may be doubled if the first investment tranche proves successful.

The total funds raised or committed by Scottish financial institutions in support of North Sea oil and gas operations must be approaching £450m.

It is almost impossible to arrive at an exact figure, partly because some of the sums committed are never spent, but also because the origins of equity and loan finance are often difficult to determine or disentangle.

However, the range and variety of Scottish participation in funding North Sea oil and gas development indicate a degree of alertness well above the resources of Scottish institutions.

The three Scottish clearing banks together own assets less than 10 per cent of those of the London big four. Yet the clearers and other Scottish institutions, such as merchant banks, insurance companies, pension funds and other vehicles of savings, play a significant part in United Kingdom terms, with resources fairly small in the light of the enormous funds—and risks—entailed in financing North Sea oil.

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Peter Jay, Economics Editor, analyses the public expenditure White Paper

The classic profile of national bankruptcy

The Government's long-awaited White Paper on public expenditure over the next four years is profoundly shocking. What it shows is, in a nutshell, that despite all that has been learnt, said and done over the past year, the Government now plans to spend more in each of the next four years than it did a year ago (see the table) and that the burden of taxation is going to rise over that period.

Newspaper headlines and the Government's own presentation of the White Paper may give the impression that savage cuts in expenditure have been made and that the long rise in public spending is at last to be halted. It is of the utmost importance that there should be the widest possible understanding that nothing of the kind is true.

The Cabinet has indeed approved cuts in planned expenditure in the "focus year" (1978-79) of £3,000m, as was reported in the press during last autumn. There need be no doubt that ministers have been through one of the most serious and painful re-examinations of cherished commitments that any government has ever undertaken in peacetime.

A total of £190m is to be cut from a defence budget that can still afford any further compression; £650m is to be cut from education spending, much more than would be justified merely by lower estimates of school population; £500m has been cut from the road and transport programme, which will involve a reduction in road-building and maintenance to less than three-quarters of the level planned a year ago for 1978-79.

Health and personal social services, always the Cinderella of public spending priorities, are to be cut by £150m. Food subsidies are to be run down faster than planned, producing savings of £200m compared with what was planned a year ago. Housing subsidies are cut by £310m; and "other environmental services" are cut by £220m.

All this is explained, with much wringing of ministerial hands and conscience, by repeated references to "the present economic situation". Yet not a penny has been saved in aggregate. Indeed when one comes to the bottom line it appears that expenditure now planned for 1978-79 is 1.7 per cent—or nearly £900m—higher

than in last year's White Paper. This has nothing to do with inflation over the past year. The effects of that are already excluded from the White Paper figures by the process of "revaluation", whereby all the figures are adjusted from last year's price assumptions. All the comparisons and cuts are expressed in terms of the prices assumed for the present White Paper.

The reason for the increase in planned spending is simple and real, namely interest on the national debt. Because of the huge rise in borrowing during the present financial year, combined with the Government's assumption that there will be less inflation over the next four years to erode the real cost of servicing that debt, the provision for debt interest in 1978-79 has been increased by £3,000m, thus more than cancelling out all the painful savings.

Taken together, increases of nearly £500m in planned spending on trade, industry and employment, and of nearly £100m on social security and "other public services", this leads to the marked increase in total spending now planned for the "focus year". One wonders how ministers will feel when they realize that all their labours of the summer, autumn and winter have merely led to a gigantic redistribution of priorities in favour of the rentier owners of gilt-edged securities.

Debt interest, which in the first three years of the present decade cost significantly less than individual programmes like defence, education and health, will by the end of the decade cost between 25 per cent and 50 per cent more than each of these programmes.

There are, it will be said, extenuating circumstances. A much higher proportion of debt interest payments comes back to the Exchequer in tax receipts than with other forms of expenditure. A higher proportion is saved and therefore reduces the need for taxation to curb personal spending. The inflation rate may accelerate which will erode the real cost of servicing this debt. Or inflation may subside, in which case it might be possible to refinance some of the debt on much cheaper terms as interest rates fall.

None of these arguments can remove the central fact that the Cabinet has had to struggle

COMPARISON OF GOVERNMENT SPENDING PLANS (JAY INDEX)
1969-70 Estimates=100

Financial Year	Jenkins ¹	Barber ²	Barber ³	Barber ⁴	Barber ⁵	Healey ⁶	Healey ⁷
69-70	100.0	98.2	98.2	98.4	98.2	98.9	98.2
70-1	103.3	100.2	101.2	101.2	101.2	101.2	101.2
71-2	105.8	102.2	103.4	104.0	103.4	103.4	103.4
72-3	108.7	105.7	106.6	107.2	106.6	107.6	107.7
73-4	111.7	108.9	108.8	115.9	114.6	114.4	114.9
74-5	115.1	109.1	110.2	117.6	117.0	123.1	124.1
75-6	118.5	112.0	112.0	119.5	118.5	125.5	126.3
76-7	122.1	114.9	114.9	120.8	120.3	127.4	133.2
77-8	126.8	117.9	117.9	123.8	122.8	129.2	133.3
78-9	129.8	120.9	120.8	126.9	125.0	131.7	133.9
79-80	133.1	123.1	123.1	130.1	127.5	133.9	139.1

Figures in () extrapolated at the average growth rate stated in each White Paper (namely: Cmd 4234 at 3 per cent to 1978-79; Cmd 4578 at 2.5 per cent to 1978-79; Cmd 4829 at 2.5 per cent to 1978-79; Cmd 5178 at 2.5 per cent to 1978-79; Cmd 5518 at 2 per cent to 1978-79; and Cmd 5579 at 1.7 per cent to 1978-79).

1. December, 1969. 2. January, 1971. 3. November, 1971. 4. December, 1972. 5. December, 1973. 6. January, 1975. 7. February, 1976. 8. All excluding investment grants, relative price effects, export credits and shipbuilding credits. 9. Reduced to 112.5 by Mr Barber's cuts of 17/12/73.

Cmd 4234, Table A, 1969-70, A.1-1.5
Cmd 4578, Table A, 1970-71, A.1-1.5
Cmd 4829, Table A, 1971-72, A.1-1.5
Cmd 5178, Table A, 1972-73, A.1-1.5
Cmd 5518, Table A, 1973-74, A.1-1.5
Cmd 5579, Table A, 1974-75, A.1-1.5
Notes on Methodology para 3

might and main, stretching debt and political collapse. But, it will be said, surely the growth of public spending has at last been arrested, since no substantial further rise is planned beyond this year. Not, alas, so. This is an optical illusion generated by the perennial habit of governments in the annual White Papers of massively increasing the planned expenditure for the first year of the four so that the rise from that year on appears modest.

As will be seen from the first note to the table the medium-term growth of public spending proclaimed in each successive White Paper has been quite low and getting lower each year—from 3 per cent in Mr Roy Jenkins's White Paper of December, 1969, to virtually nil in the present White Paper. Yet, as can be seen from studying the progression of the figures picked out in heavy type, the successive rises in the "first year" figure for each White Paper have, with only two exceptions, been much more rapid—1.7 per cent in Barber I; 4.2 per cent in Barber II; 8.7 per cent in Barber III; 0.9 per cent in Barber IV (excluding cuts announced on December 17, 1973); 7.3 per cent in Healey I; and 6.1 per cent in Healey II.

Thus, over the seven years from 1969-70 public spending will have risen by one third, including a rise of a fifth between 1972-73 and 1975-76 alone, while the proclaimed planning assumptions during that period implied an increase of little more than one fifth over seven years. This is not the place to rehearse the current argument between the Treasury and the Expenditure Committee (and others) over how far this record should be interpreted as a failure of the techniques of expenditure control rather than simply as a failure of the history and politics of the periods (as the Treasury believes).

The important point here is that the progression of the figures in heavy type is a more reliable guide to the growth of public spending (though even they tend to be understated) than the growth rates proclaimed by governments for the second, third and fourth years of the planning period. And, even if one supposes that spending plans for the later years will not be changed by future White Papers and that actual spending will be held to the present limits, the prospect is still for higher levels in those years than previously planned, or implied.

The full seriousness of this prospect is brought out by the Treasury's economic analysis in the White Paper, of the prospective use of economic resources over the five years from 1974 to 1979. The White Paper considers three alternative cases: a growth rate of gross domestic product of 2.4 per cent a year; of 3.4 per cent a year; and of 3.8 per cent a year.

We now know from Wednesday's GDP figures for the fourth quarter of 1975 that GDP fell by 1.6 per cent last year. So we can reprocess those assumptions as annual rates of growth from 1975 of 3.1 per cent, 4.1 per cent and 5.1 per cent respectively.

This enables us to forget the last two cases, since growth rates of around 5 per cent, even reaching the depths of recession reached in 1975, would be inconsistent with any serious attempt to restrain inflation. The first case would yield from 1974 an average of £1,200m per year (measured at 1970 prices) of national resources. Of those the Treasury estimate that improving the balance of payments will absorb £500m and productive investment will take another £400m.

Of the remaining £300m, the public sector will directly consume £130m, but will actually reduce its requirements for public investment by £70m. Thus £240m will be left for personal consumption. Of this the Government plans to take £130m to redistribute by way of cash benefits, grants and loans back to the private sector. Thus a mere £110m (or about 0.2 per cent of gross domestic product) will be left for private consumption.

Since real-estate earnings in real terms will be rising broadly in line with national output, the burden of taxation will have to increase sufficiently to eliminate virtually the whole of that increase in earnings. This is the price of the Government's spending plans and in particular of the deficit financing of the past few years, of the present year and of next year by means of which the Government has sought to cushion the effects of the world recession.

As a result we have forfeited any real chance of ever regaining the process of creating new national wealth, except temporarily by a reckless reflation that would lead straight to hyper-inflation and because of the now intolerable cost to the taxpayer of deficit finance—to national bankruptcy.

It is a simplistic attitude and one which, if allowed to go unchecked, could lead our country into a dangerous situation. Let us examine the concept that Marxism is dangerous and leads to the destruction of democracy. The assumption in this (reiterated in Ronald Butt's article) is that democracy is synonymous with private enterprise, but this is not borne out by the facts. For example, Chile today is groaning under a severe military dictatorship, with torture and repression continuing, as shown by a recent United Nations report. That country makes no economic ideas from the Milton Friedman, Chicago School of Economists. It is, therefore, a bastion of free enterprise, while at the same time being a military dictatorship. Italy, under Mussolini, did not destroy the free enterprise system; it integrated it into the corporate state with the enthusiastic support of big business interests. It was the trade unions who were destroyed, not the organizations of the business world. The same can be said for Germany under the Nazis. It is important to note that whenever right-wing dictatorships have taken over, especially in the advanced or semi-advanced capitalist countries, they have always done so in order to stop the country falling into the hands of the "Marxists".

The use of the blanket term "Marxism" is like using the term "Christian". While all "Marxists" say they adhere to the ideas of Marx, they no more do that than those who call themselves "Christian" adhere to the concepts of Christ. It

depends on what interpretation is given at a particular moment. Actually, Karl Marx, Friedrich Engels (who long before the Russian revolution and therefore well before their ideas were usurped by Joseph Stalin and his disciples) were real democrats. Even the term "dictatorship of the proletariat" used by Marx, which arose out of the experience of the Paris Commune in 1871, meant extended democracy for all the masses, not as it became under Stalin the "dictatorship over the proletariat", which, of course, excluded everyone. It is recalling that in his early days, Karl Marx, as editor of the *Neue Rheinische Zeitung*, wrote: "Freedom is so much the essence of man that its opposite is to realize it, to man fights freedom; he fights at most the freedom of others. Every kind of freedom is therefore always exercised at one time as a special privilege, another time as a universal right."

The abuse of the term Marxist is clearly shown in a recent piece in *The Times* by Lord Chalfont, who wrote: "The Marxists are convinced, like Shakespeare's Tarquin, that rape is more easily accomplished in the dark; for light and lust are deadly enemies and their immediate concern is to illuminate the scene with a candle which may be lit to illuminate their aims." One is entitled to ask Lord Chalfont which "Marxist" he is talking about. With regard to light, I illuminate the scene with the TV film, in which I and many others participated, called *Who Says It Could Never Happen Here?* This film, despite Lord Chalfont's plea that he could not understand the criticism levelled against it, was a travesty of free expression.

I was interviewed for 25 minutes, and out of that time three very brief snippets were taken, all of which were out of context. Yet I was assured by the producer beforehand that nothing would be done to create a wrong impression, and that my views would be fully put in the context. I am concerned they were not, and my experience regarding this programme was by no means unique. If we are to have a serious national discussion about Marxism, socialism, communism, etc., then let it be fair and properly conducted.

Lord Chalfont's article is subtle in the sense that he uses phrases implying that Labour Party members are subversive without naming names. For example, he says, Roy Mason should not have criticized Mrs Thatcher for her cold-war speech, but should have left that "sterile" exercise to one of his Marxist colleagues. The implication here being that defence expenditure critics, being Marxist, were Soviet agents.

Like Mrs Thatcher, Lord Chalfont is not even on safe ground with his argument about Soviet strength in arms. Not being a pacifist, and believing in non-alignment, I am not in favour of reducing our arms to too low a level. Like most Britons, I wish to see our country adequately defended up to the limit. It is why I find myself reassured by the argument put forward against Mrs Thatcher, by Andrew Wilson in *The Observer* of February 1. Wilson pointed out that Britain could continue to carry out some reductions in the arms programme and money levels, all within a tolerable limit even to Nato.

There are extremists in our midst who by their utterances are helping to undermine our parliamentary system, and I am afraid Lord Chalfont, despite his personal charm, is one of them. He and his friends are badly affected by the "Red bug" and it is time that those of us who are being attacked by innuendo stood up to be counted. In doing so, we shall be acting in the best interests of British democracy.

Eric Hoffer
The author is Labour MP for Liverpool, Walton.

Bernard Levin

Christian voices in the Soviet wilderness

"We are Christians", said a girl's voice in the dark; "my friends love our God, and we want to live for Him, but it is difficult in our country to serve God. Many of our believers are in prison now, but we see that in prison there are many people who meet God." There was a pause, and another, older, woman's voice took up the theme. "Dear Christians of England," she said, "we want to thank you for your concern for those who are being persecuted for confessing Jesus Christ and for their faithfulness to the Gospel. The fervent prayer of a righteous man avails much." When I boarded the plane in June to make the twelve-hour flight to see my son, I did it in the assurance that the prayers of all God's children would give me strength to endure. And so it was.

I ran the tape back to the beginning, and played it through again: "... it is difficult in our country to serve God... thank you for your concern for those who are being persecuted for confessing Jesus Christ and for their faithfulness to the Gospel. The fervent prayer of a righteous man avails much." When I boarded the plane in June to make the twelve-hour flight to see my son, I did it in the assurance that the prayers of all God's children would give me strength to endure. And so it was.

night. Then I turned to *Izvestia*, where one Vladimir Alexeevich Kurodev, Chairman of the Council for Religious Affairs, was pointing out that:

Indeed, reactionary circles in the West have recently intensified attacks on the Soviet way of life, making wide use of every kind of fabrication... bona fide propaganda services have also put into circulation the filthy invention that there is no freedom of conscience in the USSR. The man's name is Georgi Vins; he is a Baptist pastor, from Kiev. The girl, his daughter, is called Natasha; his mother's name is Lydia. Vins is at present in a concentration-camp in Siberia, serving a five-year term after a mock-trial; from 1966 to 1969 he had served another such term. Both sentences were for preaching his religion. Hear Chairman Kurodev again:

There is full reason to call Soviet legislation on religious cults legislation on freedom of conscience. It is a guarantee for all citizens of the USSR complete freedom to define their attitude towards religion; to believe or not to believe in God; to hold or not to hold religious views.

Georgi Vins's father, Peter Vins, died in a concentration-camp in 1953 as a Baptist pastor, too, but the son is a member of a group who have broken away from the Soviet Baptist Church, which they believe is subservient to the Soviet State; they are known as the

Reform Baptists, but their practice of Christianity is a crime, because only churches registered with the authorities are permitted to function, and the authorities refuse to register the Reform Baptists. They have to have to hold their services secretly, in private houses or in the woods, and are subject to continual harassment, arrest and prosecution. Chairman Kurodev speaks:

In the USSR no one is compelled to be a believer or an atheist, to perform religious rites or not to perform them. All this is a matter for the conscience of every citizen, a matter for his convictions, his indisputable right.

From the time the Reform Baptists schismatized, they have repeatedly petitioned the Soviet authorities for permission to hold a congress, and have been as repeatedly refused. Says Kurodev:

Religious associations may hold all-Union or local congresses on religious questions... and so on... Soviet legislation, guaranteeing the existence of freedom of conscience, continues to develop and perfect itself.

And had running sores on his arms and body; he was nevertheless forced to work at dragging logs. His Bible was taken from him. Once more, Kurodev:

Soviet legislation has established special legal norms for feeding believers, religious associations and ministers of the cults from infringement of their legal rights. After Vins's release from the concentration-camp, persecution of Reform Baptists intensified. He went into hiding, and for three years lived "on the run". His mother was arrested and sent to a concentration-camp; his wife, Nadezhda, though she is a qualified engineer, with a degree, could get no work other than as an ice-cream seller; his daughter was terrorized at school.

In March, 1974, Georgi Vins was arrested again, and a show-trial was prepared. In September Academician Sakharov appealed to the Christian churches of the West to protest on Vins's behalf; he revealed that at that time Vins had been on hunger-strike for four months. The World Council of Churches took up the case, asking that they be allowed to send an observer to the trial, and that Vins should have defence counsel of his choice. All such requests and protests were ignored, and Vins, after a travesty of a trial, was sentenced to five years in a concentration-camp; when the sentence was read out to him and

he was asked if he understood it, he replied: "Yes, Glory to Jesus Christ." Says Chairman Kurodev:

In general, in our country everything is done to guarantee freedom of conscience, and we have the right to affirm our religious or non-religious beliefs. Our legislation on religious cults is the most humane and democratic in the world. In his first period of imprisonment in a concentration-camp, Vins managed to keep a diary, and when he was released he wrote it out with him. This is why little in it about his sufferings, but much about his faith:

I love you, my earthly homeland, my Russia... Your grim history, so full of suffering and pain, has not broken me. But I rejoice: Christ loves you! He died for you also, for your people, my Russia... Many have tried to bring you the life-giving light of Christ's love, or to distort beyond recognition the truth of the Gospel... Little is known about Vins's present condition; it is not even certain that he is still alive. But if he is (and I am tempted to add, after reading his book, even if he isn't) his faith commonly survives. Back to Kurodev:

Take one of these "sufferers for the faith"... Georgi Vins. His case... established that the accused had incited believers to

unlawful actions, and to violation of Soviet laws on religious cults. Vins's criminal activity, of course, had nothing in common with religion. To which let Georgi Vins reply in his own words, some verses from one of the poems he wrote in the concentration-camp:

My persecutors, I do not curse you,
And at this hour under the burden of the cross
I pray for you and bless you
With the simple lameness of Christ.
I am pure before you: by words and deeds
I have called you to good and
I have so much loved you
I have so much loved you
Would be possessed by the lofty ideal of Love.
But rejecting this kind
You answered with hatred
My persecutors, I do not curse you,
But I am saddened by your fate.

I am indebted to the Weston College Centre for the Study of Religion and Communism, Heathfield Road, Kent, for permission to quote from Georgi Vins's book *Three Generations of Suffering*, published for the Centre by Hodder and Stoughton, from the introduction to his book by Jane Ellis, and from the Centre's translation of the *Izvestia* article.)
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habitat

SERIOUS COOKS START HERE

You need a workmanlike set of solid, ordinary pans for everyday boiling, basting, simmering and steaming. Serious cooks say that heavy aluminium with thick bottoms is the most sensible way to get the best out of basic cooking. As we recommend Rymid, we see there's a range of pans from 22 pence up to 9 pence—all with lids, and a non-stick milk pan and fish-fryer. They're suitable for any type of cooker, including gas.

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25 pence 27 pence 29 pence 31 pence 33 pence 35 pence 37 pence 39 pence 41 pence 43 pence 45 pence 47 pence 49 pence 51 pence 53 pence 55 pence 57 pence 59 pence 61 pence 63 pence 65 pence 67 pence 69 pence 71 pence 73 pence 75 pence 77 pence 79 pence 81 pence 83 pence 85 pence 87 pence 89 pence 91 pence 93 pence 95 pence 97 pence 99 pence

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If the Government wants people to stop smoking, wear seat-belts, or use pelican crossings, they should take a lesson from the people who sell condoms in Sri Lanka. There could be no planned families in Colombo than there are non-smoking seat-belt wearers in London.

That, at least, is the view of a group of lecturers at the College for the Distributive Trade in Leicester Square, London, who have established a new academic discipline known as social marketing. Briefly, it means the application of business marketing methods, of the kind that would be used to sell instant coffee or soap powder, to social campaigns—be they anti-smoking drives, anti-concorde fights, or efforts to help the elderly.

In an attempt to spread the gospel, the college held its first seminar on the subject yesterday, attracting a disappointing turnout, with a handful of advertising and marketing people, and a bare half-dozen representatives from bodies that might be expected to use the techniques. The International Planned Parenthood Federation's campaign in Sri Lanka was held up as the shining model, and the audience was treated to a slide show of small-town Sri Lanka grocers smiling broadly behind counters stacked with condoms.

Norman Marcus, who organizes the course, said that at a time when business was being criticized for being too successful in selling people things they did not want, efforts to market the country's many social problems were on the whole ineffective. He said that Britain has 3,000 current social problems—a figure he got from a

The Times Diary

Selling social solutions like soap

man in Brussels who works out that kind of thing. The Government spends about £15 million a year on public service advertising, and yet most of the campaigns are a dismal failure. They need to look beyond mere advertising and come up with a total marketing concept. For example, said Marcus, the "Click-Click" advertisement should have been backed with seat-belt legislation at the time, buzzers fitted on cars, insurance incentives, and a regular reminder to display seat-belts on their foreheads and thorough market research to find why people do not wear them.

One social campaign which Marcus thinks was a great success was the opposition to a third London airport, particularly from residents of the proposed site at Covington, Buckinghamshire. "There was very little advertising, but there was word-of-mouth contact, effective lobbying, and considerable peer group activity."

Michael Barnes, from the J. Walker Thompson advertising agency, admitted that social marketing could have Orwellian implications, especially if it were tried to market an idea for which there was no obvious consensus. The "Save It" energy campaign was all right, as everybody agreed there was an energy crisis; but

the 56 pay limit, which was a kind of social marketing, had no Act of Parliament behind it, and was a obvious consensus. He thought governments should not be allowed to spend public money creating a consensus. Marcus and Maryn Davis, head of the college's advertising and marketing department, agreed that the logical extension of social marketing to sell an idea was strikes, violence or even civil war. Fortunately none of these is on the college syllabus.

I shall be wary of visiting the Indian restaurant mentioned in the *Sermones Chronicle* whose owner told a reporter: "If a regular customer doesn't visit us for a while, we worry—we make inquiries about him to make sure he is all right."

Bennery
Whatever happened to Tony Benn? The astute hero of the Left and *beat noir* of the Right, thinking seems to have sunk from view since the European referendum last year, except for a few token appearances helping the Queen switch on North Sea oil and the like. Fred Emery tells me he has turned up in Washington, where he surprised dinner guests at the British Embassy with some

rather jolly patter. Explaining the difference between the British and the United States Governments, he said: "The British Government is big business and particularly the North Sea oil companies," he said it was not the British Government that was big business, but the oil companies. "Which is the way we always operate when we come up against superior power."

He also revealed why Britain would not be issuing a stamp for the American bicentenary this year. He quoted from a letter sent from the British Post Office to post offices in the United States: "It is our view that the subject is not suitable for special stamp programme."

Ordinary people might view American independence as a defeat. "We should seem to honour those who rebelled," he said after 200 years, we should not let them think they have got away with it.

Innovative
P. H. Simpliceservit, my television reporter, writes: "Radical new changes in the format of BBC Television News, announced with a fanfare this week, are expected to revolutionize the viewing habits of millions. The most startling development is halving the number of news readers from two to one. Equally significant is the new policy of cutting out bulletins and journalists from



to his excitement. "We expect to dedicate them by half." I understand that the two changes are in fact linked. There will still be two people in the news-reading studio. While one will read the news, the other will stand close by when he hears one. Offending news readers will be fined for each lapse, and the money will go to a fund for BBC executives.

Another innovation is that the opening title sequence, with its rooming fish-eye view of the world, introduced at some cost only a few months ago, will be scrapped. It is to be replaced by a different view of the same world. "A change is as good as a rest, and it gives us a chance to waste more licence money on a new design," said the spokesman.

Everything which gets between the news reader and the audience is to go out of the window. "We want people to feel that Angela Ripston is in the room with them," said the spokesman. "We want them to think they can pat her pretty little head and say 'There, there, when the news really gets hard.'"

"We have also found that news film gets between the reader and the viewer. We are thinking of abolishing all filmed reports, so that we devote more time to the spoken word. The BBC way of modernity towards values which older executives remember with nostalgia. They are of a piece with the new Sunday magazine programme, *Terrific*, the style of which is studiously archaic. There is a view in the Corporation that the real reason for the BBC's decline in the early 1970s—before commercial television was introduced—and they are trying to revert to that era."



SO THE PARTY IS OVER

While the annual budget still excites more popular and political interest, the annual public expenditure White Paper (of which the seventh was published yesterday) is of far greater intrinsic significance. For it is the culmination of the annual exercise of reviewing the fundamental issues of political economy. Through it the Government is required to declare how much of the national resources it proposes to allocate to the public sector over the next five years. This, in itself, is the starting point for the discussion of how much will be available for other purposes: for investment, for personal consumption and for meeting the requirements of the balance of payments.

Further, within the public sector the White Paper is the expression of the Government's political priorities. Before its publication there are always stories of political infighting and threats of resignation, as each spending minister defends his own departmental budget and future spending plans. The final outcome is the nearest that our system achieves to a comprehensive statement of purpose.

Yesterday's White Paper presents evidence from which it is possible to draw the most obvious conclusions. Thus, at the end of one of the most severe public expenditure "cutting" exercises in recent times, it becomes evident that the level of public spending in real terms is still rising substantially. That, in itself, is a measure of the difficulty involved in resisting the in-built tendencies to growth of such spending.

There was a brief moment, in the immediate aftermath of the 1967 sterling devaluation, when the system was under something like control. These controls were largely thrown away in the period of the 1970-74 Conservative government and the process continued in the first year and a half of the present Government. If the consequences of the policies pursued in those years are now, at least, clear through the pages of this White Paper, it will be a major turning point in the education of public opinion. For the central conclusion is that, on the most optimistic reasonable assumption about

the future course of the economy and on the assumption (which has never been justified in the past) that there is no further growth in the total of present public spending, programmes, there is virtually no room for increases in public expenditure for the rest of this decade.

There is no need to stress the economic and social importance of this fact. It lies at the centre of the political message of the White Paper. For the main reason why public expenditure grows is not found in political dogma or administrative laxity, but in response to legitimate expectations and to the pleasurable of honourable citizens who are in favour of any one programme of expenditure or any one programme of expenditure. The public sector is the aggregate effect of all such decisions. People will say, virtually in the same breath and without any apparent sense of the contradiction involved, that the proportion of the national resources pre-empted by the public sector is an intolerable burden, but more must be spent on, say, defence, or the mentally ill, or job preservation, or university schools, or the development of Concorde.

The secondary reason why public spending has grown to this extent is as a direct consequence of inflation. Here the highest single item is the consequent increase in the cost of servicing the public debt. The upward revision of the cost of debt interest in real terms has more than offset the huge cuts in planned spending programmes that have been imposed this year.

In response to this situation the Government has, at last, introduced important technical changes in the control of public spending. In the past this control has been in "real" terms. That will, and must, continue to be the basic control mechanism. It has, however, the effect of isolating those managing public sector spending from the direct effects of inflation, since increases in pay, for example, do not appear as "increases" in "real" terms. The wide-spread introduction in the next financial year of additional con-

trols of programmes in cash terms will at last bring home directly the fact that such cost increases involve a larger call on resources.

The Treasury has been excessively sensitive in the recent past to the charge that public expenditure control mechanisms have been inadequate. The fact is, however, that the presentation of totals in the established way in a period of high inflation, coupled with shortcomings in the presentation of debt interest under the same conditions, has insufficiently alerted politicians and the public to the deteriorating reality. Cash controls will be a distinct improvement in this respect.

While welcoming the new rigour with which the issue of public expenditure is presented in this White Paper, it cannot now be assumed that the political and economic battles have been won. For the projections on which the Government may now claim that public spending will be held to next year's levels in real terms contain several soft areas.

For example, no specific provisions have been made for spending on the nationalization of the shipbuilding and aircraft industry, for the spending of the British National Oil Corporation, after the next two years; or for losses in Chrysler UK after the next two years. In addition, the totals are only kept in bounds on the assumption that many of the expensive programmes of aid to industry, in particular to high technology, taper off rapidly and are not succeeded by other similar commitments. The logic of what the White Paper says in passing about investment, private consumption and the balance of trade is that the public spending totals should not just be held to present levels in real terms by savings cuts in existing programmes for increasing expenditure (which is all that the cuts involve), but that the economy is to have a reasonable chance of developing on a balanced basis.

It is, however, encouraging evidence to come to grips with the problem in a realistic way. Its problem, political and practical, will be to deliver what it intends.

Press contact with Irish terrorists

From *Lieut. Colonel W. H. Sillitoe*
Sir, Mr. Bell (February 17) asks what was achieved by your disclosing the use of press cards by British soldiers. The question becomes even more intriguing in view of the age of the story. The use of press cards was abandoned at least 18 months ago. They were probably never used, for they were only issued as a cover for use in the direct contingency.

It is the managing director of Reuters (February 18) who confines the issues. Does he suggest that journalists' contacts with terrorists are so vital that they must be safeguarded by denying cover to soldiers? What does he think a soldier, perhaps surprised by gunmen in the delicate task of obtaining evidence for the prosecution of crimes, should say: "I am a soldier"?

The story, which apparently seeks to discredit, embarrass or inhibit the army in Northern Ireland, is worthy of an anti-British Dublin Sunday newspaper.

Yours faithfully,
WARREN SILLITOE,
London, SE11.
February 18.

From *Mr. Tom Bowring*
Sir, (February 17) you quote Sir, General Secretary of the National Union of Journalists as saying that the use of forged press cards by the security forces in Northern Ireland is likely to place at risk his own survival. I am much obliged to you for this. I am much interested in the survival of members of the security forces who are endeavouring to carry out the vital task which conditions in Northern Ireland have forced the British Government to order them to undertake.

It is upon these men that the safety of thousands, both Catholic and Protestant, depend and I sometimes wonder if the press and television are a help or a hindrance in this thankless duty.

Yours faithfully,
TOM BOWRING,
Bow Hill House,
Bow Hill, Yalding,
Maidstone, Kent.
February 17.

Artistic bricks

From *Sir Kenneth Hutchison, FRSE*
Sir, Bricks are beautiful. The Friday Mosque in Istanbul where technical problems of relating a circular dome to a square base were so skilfully resolved, and the ethereal and beautiful brickwork of many, now unknown, master bricklayers, remains to most people who have seen it, and that is not all who go on the tourist circuit, the most beautiful building in Iran.

A new party wall, only 2ft high, built by my neighbour and myself using only of second hand stock bricks using the Flemish Bond is practical, functional, and therefore in its way beautiful, but we have no plans to charge admission and it is not for sale, yet.

Numbers can be beautiful, and frequently great delight to mathematicians, but 120 has the sole childish merit of being the result of multiplying the first five digits. Both bricks and numbers can be beautiful, and they can also be beautiful, but not usually at the same time and in the same place, and some bricks are more at home in the nursery than in a museum.

I shall hasten round to the Tate on the first opportunity, which will not be until next week, and make my own decision, as will many other members of the art world, on the public, and which of these homes the more appropriate to the museum's new acquisition.

Yours faithfully,
KENNETH HUTCHISON,
The Athenaeum,
107 Pall Mall, SW1.
February 18.

From *Mr. H. R. Calvert*
Sir, To arrange a number of bricks in such a way as to affect the holder is as much art as to arrange a number of coloured pigments on a canvas for the same purpose.

Yours faithfully,
H. R. CALVERT,
North Point,
Church Hill,
Merstham, Surrey.
February 18.

The new Archbishop

From *Mr. Ian Bonner*
Sir, While welcoming your editorial on the admirable appointment to the see of Westminster I cannot but be depressed—though not surprised—to find yet another example of the mindless vulgarity of contemporary religious discussion which elevates Pope John at the expense of his article, contributed nothing.

Yours faithfully,
RICHARD A. BALFE, Chairman,
Housing Development Committee,
GLC,
The County Hall, SE1.

Mental health patients

From *Mr. F. E. Whitehead*
Sir, I must correct a misleading statement in Professor Jones' letter on mental health services (February 4). Although it is true that some 600,000 people receive specialist psychiatric care each year, less than half of these do so as in-patients—the remainder are treated as out-patients or day patients. Each year approximately 250,000 people are treated for mental illness as in-patients of which a quarter are in-patients for the first time and the rest are receiving continuing care or have been readmitted after earlier treatment; the number who are in-patients at any one time is currently about 95,000.

Yours faithfully,
F. E. WHITEHEAD,
Chief Statistician,
Department of Health and Social Security,
14 Russell Square, WC1.
February 16.

Electing the European Parliament

From *Mr. T. A. Roberts*
Sir, What sins are committed in the name of democracy!

At one end of the scale a rough-house at Shipley is regarded by Michael Horsnell as a blow for democracy. At the other end, Enders Leckie and Christopher Mayhew predictably strain at the gnat of PR while swallowing the camel of a directly elected European Parliament. In either case some straight thinking would not come amiss, if only to counteract the enthusiasm which came over so well in Professor Rose's article.

Most of us in Airedale are not deceived by Mr. Tym's antics. Nor should Mr. Tym be surprised by his unwelcome success. With two dissenting voices, a polytechnic and several colleges not 15 miles away, he is not likely to be short of recruits. Though personally affected only to the extent that a new road through the valley would slightly impair the lovely view from my dining room window, I do know that several people were prevented from registering their support for or opposition to the scheme. If all those living along the busy A62 had been as well organised as the protesters, Mr. Tym's cohorts would not have stood a chance. Whatever attention the authorities pay to legal niceties, it remains to be seen whether the road Mr. Tym will allow the next inquiry to be trouble free. What is clear is that getting one's own way, by hook or by crook, has little to do with democracy.

On the much broader subject of a European Parliament, my deceiving myself that 67 MPs representing the United Kingdom with constituencies of 600,000 electors each can claim to be, in any real sense, a democracy, whatever electoral system is used? One of the original signatories of the Treaty of Rome being carried away with the dream of a directly elected parliament. One must also concede that Britain's late entry robbed her of any opportunity to temper such idealism with the hard reality of experience of the pragmatic approach.

But it is only such an approach that will stop a parliament of 355 members, remote from their constituents and unclear as to their role, from being overtaken by a chilling disillusionism which will certainly turn it, in Professor Rose's phrase, into "an institution of no consequence". It may be late in the day to start persuading our European partners that a directly elected parliament is not the answer, but a government, such as ours, which has clearly not going to be hurried into making arrangements for 1978, would gain in credibility and respect if it tried genuinely to articulate its present reluctance to a fundamental reappraisal of the kind of democratic institutions Europe needs.

Intolerable tension would surely ensue if a directly elected parliament should fall out of phase with either the checks or the legislative proposals of national parliaments. The only safe way of avoiding this with all its bitter consequences is to continue the present method whereby each national parliament sends certain members in proportion to party strengths, to serve in the European Parliament.

The point I am making is arguable. What is not arguable is that, in Shipley or in Strasbourg, democracy can only be put at risk if the woolly-minded are not restrained.

Yours faithfully,
T. A. ROBERTS,
28 Green Head Lane,
Udley,
Keighley, West Yorkshire.
February 17.

Threat to Rhodesia

From *Mr. Humphry Berkeley*
Sir, The following sequence of events has been obvious to me since Rhodesia's independence was declared on November 11, 1965:

- (1) Sanctions, alone, were unlikely to end the Smith rebellion.
- (2) In order to avert a rapid end, the Africans of Rhodesia would resort to force, since they are denied access to the ballot box.
- (3) The African freedom fighters would appear for weapons in order to defeat the Smith regime themselves.
- (4) The request for weapons would be refused by the Western powers, but agreed to by the Communist bloc.
- (5) When armaments and trained up, the freedom fighters, possibly reinforced by a foreign regular army, would invade Rhodesia.

In order to avert a catastrophic racial war in Southern Africa, Britain as the colonial power, has a duty, and the other major Western powers have an overwhelming reason to point out to Mr. Smith the terrible consequences, should he fail to reach agreement with the African National Congress on the future of his country.

Yours faithfully,
HUMPHRY BERKELEY,
Three Pages Yard,
Chiswick, W4.
February 17.

Ownership of glebe lands

From *Mr. John Cordle, Conservative MP for Bournemouth East, and others*
Sir, Financial pressures bring their own problems and temptations. The Church of England is not immune from this kind of thing.

In recent years a new attitude to ancient endowments and parochial properties has become apparent. Local church properties have been treated as if they belonged to the whole Church and were expendable on a variety of all.

In addition, by a very wide interpretation of "pastoral ministry" funds provided for local pastoral care and oversight have been used for specialist staff who might never have occasion to go near the source of their emoluments and expenses. Or, in other words, local funds have been used for central purposes in the manner beloved by bureaucrats.

Now the General Synod has proposed a measure for submission to Parliament which centralises the ownership, as well as the administration, of glebe lands. But these are all local endowments, and they are the upkeep of a local ministry. At a time when a single clergyman may be responsible for eight churches in eight separate parishes, and the excess of income above his stipend may be used far away from those sources and the intentions of the donors, this process is to be

Tension in French Somali coast

From the *Chargé d'Affaires A. I. of the Somali Democratic Republic*
Sir, Tension in the Horn of Africa has received considerable attention by the media of late, including your own distinguished newspaper. I now seek the hospitality of your columns to remind your readers of two aspects of the situation which are of great concern to the Government of the Somali Democratic Republic, which I have the honour to represent in the United Kingdom.

The widespread and fully justified publicity given to the kidnapping of French schoolchildren in Djibouti and its tragic sequel on the borders of my country and the French Territory of the Afars and the Issas (known for well over a century as the French Somali Coast or French Somaliland) should not be allowed to obscure the frightening fact that the kidnapping was but one incident in a sequence of alarmingly events in that unhappy territory. Unless urgent action is taken to address the territory very significantly along the road to total independence in accordance with the manifest wishes of the great majority of its population, further incidents will occur, however ruthless the mailed fist of its French rulers.

The regrettable kidnapping (which my government has fully deplored) did in fact follow hard on the heels of an act of inhumanity by the French authorities against the local people of Djibouti which received scant notice in the world's press. I have before me a report that on the security of the quarter, without prior warning, French troops entered one of the quarters of the city inhabited by many Somalis. More than one thousand of them were ejected into the streets and their humble dwellings were built up. In the process 37 people were reported to have been injured, six being admitted to hospital in a serious condition. Over 1,000 residents of the quarter were then taken by the French authorities to the border with Ethiopia and expelled across it into a desolate area which is inhabited by nomadic Somalis.

The people of Djibouti are convinced that this action was part of a deliberate policy to reduce the number of those who would be expected to vote for complete independence in a referendum which is due to be held in the territory in due course. This policy of action by the authorities in Djibouti naturally raised tension to a very high pitch and this was the background to the kidnapping of the French children which took place within the ensuing 48 hours.

The tragic events of the past two weeks have left a legacy of suspicion and alarm throughout the territory and its neighbours. The government of the Somali Democratic Republic cannot but be deeply concerned for the well-being of the indigenous people of the coast as a whole, and in particular, for the many Somalis (labelled "issas" by the French for political reasons) who comprise a large element in the population of the city of Djibouti. We understand that following the tragic events of last week the wives and children of French forces stationed in the territory have been evacuated, presumably to clear the way for further repressive action against the local population, possibly of a more violent nature. Our anxiety relates, in particular, to the soldiers of the French Foreign Legion. The unhappy people of Djibouti have also had much experience of the exuberant capacity for brutal repression of this cosmopolitan corps of "mercenaries".

We all lament and deplore the senseless loss of innocent lives during the kidnapping but the release of the children, whose return has been so long delayed, are no less entitled to our compassion and concern.

Yours faithfully,
ABDI HAJI A. LIBAN, Chargé d'Affaires,
Embassy of the Somali Democratic Republic,
60 Portland Place, W1.
February 16.

Christian doubts

From the *Reverend H. A. Williams*
Sir, In thanking Professor Hanson for his most interesting and informative review of Professor Balfe's book *The Forgotten Dream* (The Times, Saturday, February 7), may I put the side opposite from that taken by Professor Hanson? I can do so in the words of the Eusebian Catholic writer Unamuno: "These who believe in God, believe in God, but without passion in their heart, without anguish of mind, without uncertainty, without doubt and even at times without despair, believe only in the idea of God, not in God Himself." I doubt whether Unamuno had thought of the English empiricists or had even heard of the form-critics. And certainly he cannot be described as one of the English (or for that matter the former Catholic) modernists.

Yours faithfully,
H. A. WILLIAMS,
Community of the Resurrection,
Miffield, Yorkshire.

Words and meanings

From *Lord Balfour of Inchrye*
Sir, Your article headed "Occasional series about new words and new meanings" in today's Times (February 11).

I think back on old words (which once were new words) that have been ground through the mills of "in" political wordage.

We must rationalize industry. The Baldwin era. Came the war and the logistics of programming were complex. We won the war and then had time to examine in depth the infrastructure.

Now with the post EEC entry industrialists are advised to diversify their production fields. To do this they must maximize their efforts. But, so, as not to alarm foreign competitors, we must all keep a low profile.

Alas, with passage of time I fear these "isms" are now "outs" but I expect there will be others to take their place.

Yours truly,
BALFOUR OF INCHRYE,
House of Lords.

'NE EXEAT REGNO' BACK AGAIN

British mercenaries enlisting on the losing side in Angola are an immediate embarrassment to Her Majesty's Government. Regimes which are unencumbered by a liberal tradition or instinct naturally hold the British Government to account for the behaviour of British citizens which they resent. Having a short way with any of their own people who step out of line they assume malice, or at least culpable negligence, on the part of any other government which does not prohibit its citizens from bearing arms against them. The fact that other less agreeable sorts of government expect ours to extend the range of its political control over us is no reason for us to so even if the lack of that control complicates its foreign relations. On this occasion book to have power to order its citizens to keep out of the fight. On other occasions it might suit it better to have no such power—if for reasons of policy or ideology it secretly approved foreign enlistment while finding it convenient to be able to wring its hands in public at its legal inability to prevent it.

In 1870 Parliament accepted the argument for control. The Foreign Enlistment Act of that year makes criminal of a wide though indefinite range of conduct of that kind. The Act has not been used since the Jameson raid, though its use has been

threatened with notable lack of consistency. The Government has just taken the view that it is a piece of legislation which it would be unwise to invoke now, and it has referred the issues raised to a committee under the chairmanship of Lord Diplock. Yet here it is seeking to do by other means what it would be uncertain of achieving by recourse to law. And the means selected, the conditional confiscation of passports, is a highly objectionable use of the prerogative power to invade the liberty of the subject.

Under the ancient writ of *ne exeat regno* monarchs imposed discretionary restraint upon their subjects leaving the Kingdom. This was eventually whittled down to a means available only on stringent conditions, of restraining absconding debtors. Otherwise, criminal excepted, no systematic abridgment was attempted of the citizen's freedom to travel abroad. Now under cover of passport procedures, which looks like an attempt to revive the force of *ne exeat regno*.

A passport, as the small print says, is the property of HM. No one has a legal right to it. It is issued as an action of Crown prerogative exercised by a department of the Foreign and Commonwealth Office. In theory its function is to serve as a convenient document of identity showing the bearer's nationality. It acquires importance because movement control at ports of entry and

exit is grounded on proof of nationality. In practice possession of a valid passport is an almost indispensable requirement of foreign travel. A refusal by the authorities to issue a passport or their taking it away is effectively a bar to foreign travel. Yet the right to leave these shores at will is a right free citizens clear of criminal charges expect not to be denied. Exercise of the prerogative power is not reviewable before a court or any other tribunal. It is tolerable, though unseemly, that such a power should be used in respect of a civil liberty unattached to any clearly stated principles, from which there is no appeal—so long as it was applied in cases which could be clearly identified as appropriate. It is an entirely different matter if the passport procedure is to be used as a means of extending social and political control over the conduct of individual citizens. That is the implication, a highly dangerous one, of the confiscation of the passports of mercenaries returning from Angola. One may say not condone their point of view from either point of view the danger inherent in this extension of administrative control over people's conduct is clearly visible. If the Government persists, it will become a matter of urgent necessity to place the law concerning passports on a statutory basis and open it to judicial review.

It would be idle to pretend, however, that the use of these powers will solve all the problems arising from the conflict I have described. What will help is some recognition of the conduct which the GLC has to operate. Mr. Young's article contributed nothing.

Yours faithfully,
RICHARD A. BALFE, Chairman,
Housing Development Committee,
GLC,
The County Hall, SE1.

London housing and GLC

From *Mr. Richard A. Balfe*
Sir, In his short article, "Twelve years inertia on GLC housing site ending" (The Times, February 10), John Young, after a cursory examination of the history of the Bayonne Road development, assumes that the GLC has behaved incompetently and is forfeiting its right to be a housing authority. Mr. Young did not present all the facts. This is a great pity because the issues raised by the 12 year delay at the Bayonne Road site and the eight year delay at the St Paul's School site are crucial not just for Hammersmith but for the future of inner London.

At one and the same time the GLC wishes to act strategically, that is to say in the interests of all Londoners, and also to cooperate with the London boroughs which are powerful and important authorities in their own right. The assumption in their own rule implies that there of a strategic role implies that there will be occasions when the GLC will wish to override a borough council's wishes. Conflict, therefore, can be said to be an established feature of London government. Confrontation between authorities to resolve difficult enough problems of the dimension of when one adds control, progress can seem impossible.

The Bayonne Road site illustrates this point perfectly. The GLC's Housing Committee resolved in January 1968 the Compulsory Purchase Order (CPO) was confirmed and in May that year the council's architect was briefed and instructed

to prepare a scheme for about 850 houses—a clear housing gain. In that very same month the Conservative Council and within a few months asked the GLC to withdraw its proposed scheme for the Bayonne Road site and to prepare new plans for private development and higher rented council housing.

This signalled the beginning of eight years of sustained disagreement between the authorities on questions of public and private development, open space, density and layout. At the time of the CPO confirmation the accumulated cost to London's ratepayers of the interest charges on Bayonne Road was £53,108. At the time of writing the accumulated cost is at least £870,000.

The GLC does possess certain reserve powers to overcome resistance by borough councils but has been reluctant to use them because of its twin desire to maintain good relations with the boroughs. The price for this good will, however, can become astronomical and there clearly are situations when the GLC should act decisively, even though this arouses strong localized opposition. Indeed, my committee's reserve powers for the first time last summer when the council deemed summing up the planning consent for the St Paul's School development in the face of objections from Hammersmith Council. We have endured a storm of protest but we shall build houses for Londoners and we will not hesitate in justified circum-

stances from taking the same firm action again.

It would be idle to pretend, however, that the use of these powers will solve all the problems arising from the conflict I have described. What will help is some recognition of the conduct which the GLC has to operate. Mr. Young's article contributed nothing.

Yours faithfully,
RICHARD A. BALFE, Chairman,
Housing Development Committee,
GLC,
The County Hall, SE1.

Mental health patients

From *Mr. F. E. Whitehead*
Sir, I must correct a misleading statement in Professor Jones' letter on mental health services (February 4). Although it is true that some 600,000 people receive specialist psychiatric care each year, less than half of these do so as in-patients—the remainder are treated as out-patients or day patients. Each year approximately 250,000 people are treated for mental illness as in-patients of which a quarter are in-patients for the first time and the rest are receiving continuing care or have been readmitted after earlier treatment; the number who are in-patients at any one time is currently about 95,000.

Yours faithfully,
F. E. WHITEHEAD,
Chief Statistician,
Department of Health and Social Security,
14 Russell Square, WC1.
February 16.



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Tree Farm, South Warborough,
Bromsgrove, and Alston, younger
brother of Mr. and Mrs. A. D.
Callender, of Coldon, Port of
Menteth, Perthshire.

Mr. M. P. Langley
and Miss J. S. Luffingham
The engagement is announced
between Michael Peterson, eldest
son of Mr and Mrs L. Langley,
of Annan, Dumfriesshire, and Jane
Elizabeth, daughter of Mr and
Mrs R. L. Luffingham, of Hall.

Mr. D. A. Luman
and Miss L. J. Kestley
The engagement is announced
between David Alexander, elder
son of Squadron Leader and Mrs
T. D. A. Luman, of Tinglewood
House, Norfolk Farm Road,
London, W. 14, and Miss
Jane, elder daughter of Captain
and Mrs F. W. Kestley, of Lady-
vane Cottage, Ladygate Road,
Dorchester.

Mr. C. E. Newgas
and Miss M. L. Murray
The engagement is announced
between Charles Edward, younger
brother of Mr. E. C. Newgas,
of Compton Avenue, London, N6.

Mr. A. D. Seale
and Miss S. C. Corbett
The engagement is announced
between Adrian Derek, younger
son of Mr and Mrs D. R. Seale,
of Netrob, Kenya, and Sarah
Charlotte, elder daughter of Mr
and Mrs P. A. Corbett, of Oakhill
Crescent, Surbiton, Surrey.

Mr. A. F. Thorman
and Miss S. G. C. Lywood
The engagement is announced
between Andrew Pellam, eldest
son of Mrs P. M. Martin, of
15, Calverley Road, West
Hammer, and of the late Mr W. F.
Thorman, and Sarah Cey, eldest
daughter of Mr and Mrs J. H. G.
Thorman, of 10, West Hill House,
Stratford-on-Avon, Shropshire.

Mr. A. H. Fryce
and Miss M. G. Manson
The engagement is announced
between Adrian George Watton
Fryce, the Royal Hampshire Regi-
ment, eldest son of Mr and Mrs
A. H. Fryce, of Cambridge, Isle
of Wight, and Margaret Georgina,
only daughter of Mr and Mrs P.
Manson, of Ponteland, North-
umberland.

Foreign and Commonwealth Office
Secretary of State, Mr. D. G. Allen,
Foreign and Commonwealth Office,
was host yesterday at a luncheon
at the Dolmabahçe hotel in honour
of a delegation of mayors from
Turkey.

Dinners
The Duke of Edinburgh, Permanent
Master of the Shipwrights'
Company, was in the chair and
the Duke of Devonshire, President
of the company, which was proposed by
the Prime Minister, Sir Alfred Stans-
feld, presided. The dinner began at
ten o'clock and continued until
midnight at Goldsmiths' Hall. Among
others present were :
The Duke of Devonshire, President
of the Shipwrights' Company, Mr.
H. G. Satch, and Mr. S. H. F. Fair-

A.H.M. Government
Mr. Peter Shore, Secretary of State,
Department of Trade, was host
yesterday at a dinner at
the Lancaster House in honour of
Mr. John Boutos, Alternate Min-
ister of the Hellenic Republic,
Athens, Greece.

Association of Consultants

European-American Group
The European-American Group is a dinner last night at St Ermin's Hotel, after a meeting in the House of Commons under the leadership of Mr Geoffrey Rippon, QC, MP, at which Mr Omar Cunningham spoke on international problems. The chairman of the dinner was Sir Henry Mance, and Sir Frank Roberts and Mr Robert Carr also spoke. Among those present were:
The British Ambassador and other members of the British Legation, Mr. D. F. Cornwall and Lord Dennis also spoke.

Reception
British Council
Mr J. D. B. Fowles, Assistant Secretary, British Council, held a reception held

the four-volume catalogue of Japanese vellum of "The Colours of the World" by the artist of the 13th century, *Shikō Gakka*, by J. Pierpont Morgan. It was privately printed at the Chinese Press in 1906-08.

Latest wills

Miss Annie Mary Williams, Portcuthaw, left £421,634 net. After payment she left the residue to her husband, who died the same day, equally between the African and Chinese Society for Adult Children, St Dunstan's, Marylebone, the National Foundation for Polynesian research fund, Imperial Cancer Research Fund, the Carnegie Society, British Red Cross Society, and the Blind Babies, Southend-on-Sea, Glamorgan.

Mrs Sarah Frances Wentworth, 10 Harley, left £52,789 net. She left £2,000 and effects to persons nearest, and the residue to the National Foundation.

Other estates include (not before duty paid; duty not disclosed):

Deceased: Mrs Mary Phyllis Norman, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 589, 591, 593, 595, 597, 599, 601, 603, 605, 607, 609, 611, 613, 615, 617, 619, 621, 623, 625, 627, 629, 631, 633, 635, 637, 639, 641, 643, 645, 647, 649, 651, 653, 655, 657, 659, 661, 663, 665, 667, 669, 671, 673, 675, 677, 679, 681, 683, 685, 687, 689, 691, 693, 695, 697, 699, 701, 703, 705, 707, 709, 711, 713, 715, 717, 719, 721, 723, 725, 727, 729, 731, 733, 735, 737, 739, 741, 743, 745, 747, 749, 751, 753, 755, 757, 759, 761, 763, 765, 767, 769, 771, 773, 775, 777, 779, 781, 783, 785, 787, 789, 791, 793, 795, 797, 799, 801, 803, 805, 807, 809, 811, 813, 815, 817, 819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 15

Morton, on February 13 we have lost one of our most scholarly horticulturalists. To the Horticultural Society his name will be familiar as the signatory of numerous reviews in their journal. His knowledge of horticultural literature was considerable. To his friends and acquaintances he was sometimes critical, and his charm of writing brought a personal and distinctive touch to all he wrote.

As a former editor of the society's publications I found him always ready to give help when asked and grew to value

Like nearly all good gardeners he was generous with plants. Unfortunately suffered even patiently, much illness. His attitude to life was quietude, pursuits of life, garden, his books and pictures. His exquisite chair covered with velvet and gold and in veneration on plants. He was member of the Royal Horticultural Society and the Gardeners' Club. He gave the society's highest award the Victorian Medal of Honour, in 1957. Many deniers and all his friends miss greatly his presence of "Shots" Morton.

MR GEOFFREY ELIOT

H. H. T. writes :

The recent death of Geoffrey Eliot, a man both loved and respected by the Lloyd's community, is a serious blow not only to the relation market at Lloyd's but to the country.

He was a man of absolute nerve and absolute integrity. A man of kindness and humour. He had fine judgment, and courage to back that judgment. He was a man of great contribution to aviation.

H. H. T. H. writes: The recent death of Geoffrey Eliot, a man both loved and respected by the Lloyd's community, is a serious blow not only to the aviation market at Lloyd's but to the insurance

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Constable tomb fund

Hampered parish churchyard in need of disappard and in urgent need of repair.

The iron railings around the final resting place of the great artist, his wife, and their six children, are rusted and need repair. The tombstones are cracked in places. Some of the inscriptions under the headline "See the Memory" are barely legible.

A fund has accordingly been opened for the support of the Constable family and the York of Hamstead, the Rev. Highgate

at least £1,500 is needed. These three are the principal items from the parish's Constable over the years to support this particular aspect of the parish's work. The money is not sufficient to do more than small ones, but possible, so that an enormous number of people may have the opportunity of seeing the Constable's resting place in its present state.

Contributions, with a name and address, may be sent to the Constable Fund, c/o the Rev. Highgate and Highgate Rectory, Highgate, London N6 6PS.

Further information about this Report, and about The Times' influential world-wide readership can be obtained by contacting the Italian section of The Times European Advertisement Department, New Printing House Square, Gray's Inn Road, London, WC1X 8EZ or telephone 01-837 1234; extension 7752.

Latest appointments

Latest appointments include:

- Professor Christopher Foster, professor of economics and urban studies at the London School of Economics, to be director of the Centre for Environmental Studies, succeeding Professor David Donnison.

Announcing the appeal yesterday, the Duke of Norfolk, chairman of the appeal committee, said: "This is essentially an ecclesiastical appeal for

The appeal is supported by the Archbishop of Canterbury, the Apostolic Delegate and leaders of the three principal political parties.

Announcing the appeal yesterday afternoon, taking his guided tour over the cathedral's roof, over the Duke of Norfolk, chairman of the appeal committee, said: "This is essentially a religious appeal."

Announcing the appeal yesterday by taking guided tours over the cathedral's cracking roof, the Duke of Norfolk, chairman of the appeal committee, said: "This is essentially an architectural appeal, for

national, not a sectarian, monu- Cathedral Appeal, 4
Street, London, SW1.

THE TIMES

BUSINESS NEWS

EEC survey confirms recovery pace, page 20

Gilt-edged market hesitant after White Paper on cuts in public expenditure

By Terry Byland

There was a partial recovery in the gilt-edged market yesterday after publication of the White Paper on plans to cut public expenditure.

But sellers returned in the final half-hour of trading, when the market sources expressed disappointment with the time scale of the planned reductions in public expenditure.

Earlier in the day gilt-edged prices had fallen sharply as the City awaited news of the Government's plans with increasing nervousness.

Persistent selling of long-dated government bonds reflected strong rumours that the Government's plans might fall short of the City's hopes. The daily yield on the 10-year gilt-edged bond fell from 11.5 per cent to 11.25 per cent, while the 15-year yield fell from 12.5 per cent to 12.25 per cent.

The market was not as volatile as it had been in recent days, but there were still some sharp movements in late dealings when the market was closed.

Fixed rates no way to EEC union

By David Blake

Plans to build an economic union in the EEC by linking exchange rates are not workable, Dr Omar Yilmaz, vice-president of the German Federal Bank, said yesterday.

He told a meeting of the European Monetary Group that such a plan would be a "blind alley" which even such schemes as the recent report by Leo Tindemans, the Belgian Prime Minister, could not make effective.

In a generally optimistic speech on the developments in the international monetary scene, Dr Yilmaz said that the right approach was to use Central Bank intervention only in cases where the objective criteria suggested a currency was correctly valued, but was being subjected to speculative attacks because of short-term capital movements.

Such intervention was justified in the case of the recent run on the French franc he added, and the success in restoring the franc to its position in the Rombouillet accord.

The problem of capital movements was one of the most significant and least controllable elements in the monetary system. Because of them, he thought, it was unlikely that any effort to tie the dollar and the European snake together could succeed, because the movement of dollar funds could be so large.

Community backs plan for European export bank

From David Cross

Brussels, Feb 19

A European bank, with an initial capital of some £50m (100 million units of account), should be set up as soon as possible to finance large EEC multinational contracts with customers overseas.

Unveiling detailed proposals for submission to EEC member governments, the European Commission said today that such an institution would facilitate export of goods and services involving jointly two or more undertakings situated in different member states. As things stood, such Community operations were generally at a disadvantage compared with those in other industrialised countries where the powerful export banks were already firmly established.

Although the bank would be provided with its initial capital out of the Community's budget, it would be financed by its resources by borrowing on national and international financial markets.

Today's announcement follows the publication of a green paper on the Commission's ideas for a European export bank last summer.

How the markets moved

Rises	Falls
Akroyd & Son 7p to 240p	Ass Fisheries 4p to 26p
Barton 3p to 35p	Ass Wiggins 3p to 41p
Barton Grp 5p to 65p	Bullough Ltd 5p to 79p
Challenge Corp 5p to 162p	Cap & Counties 12p to 18p
Ever-Ready 5p to 121p	Cons Tea & Ltd 5p to 121p
Ewer G 2p to 20p	Hodges Bros 6p to 172p
Grindlays Hldgs 2p to 33p	

Imp Chem Ind	Johnson Mat	Gold lost 25 cents an ounce to \$131
Merrill Lynch 5p to 35p	Johnson Mat 8p to 340p	
Merrill Lynch 5p to 300p	Johnson Mat 2p to 28p	
Merrill B 11p to 95p	Johnson Mat 3p to 48p	
Pratt F Eng 3p to 68p	Johnson Mat 6p to 48p	
Sandeman G 3p to 43p	Johnson Mat 3p to 48p	
Unilever 4p to 43p	Johnson Mat 3p to 48p	

Commodities	Other pages
Commodities: Remer's index was at 122.4 (previous 122.8).	Base Rates Table 22
Reports pages 21 and 22	Midland Bank 22
	Business appointments 20, 25
	Appointments vacant 20, 25
	Financial Editor 21
	Letters 21

Lifeguard statement gives little to cheer

By Margaret Stone

There was little cheer yesterday for the 100,000 policyholders of Lifeguard Assurance when the company's statement, presented by its chairman, Mr. Victor Wood, was published.

The statement, which was the first since the company's takeover by the British Insurance Corporation, gave a mixed picture of the company's performance.

While the company's profits for the year were down from £45m to £32m, those in the final quarter were up from £8m to £10m. ICI began to see a significant improvement in trading, particularly in North America, and this trend has apparently continued into 1976.

Before the results, the ICI share price had weakened a little. The stock market has been beset by speculation during the past few days that ICI would take the opportunity to make a rights issue.

These theories proved ill-founded, however, as the company has no immediate plans to raise money under way to raise about £100m to finance its share of the development of the Nimin Field in the North Sea.

The fact that it has chosen to finance this separately and that cash-flow is likely to increase fairly dramatically this year as the trading recovery gathers pace meant that ICI decided to reject the idea of a rights issue.

Its balance-sheet is apparently extremely strong, with some £200m of liquid funds available, and the group feels confident it can meet its heavy capital programme without an equity funding.

This, and the better than expected final quarter performance by ICI, caused a 7p rise in the share price yesterday to 384p. ICI is paying the maximum dividend increase allowed under the Companies Act, from 12.19p to 13.19p a share.

Throughout the first nine months of 1975 the group's profits had fallen under the impact of the worst recession in fibres and chemicals since the last war.

By the end of the year, including the rail-end improvement, sales were 5 per cent higher in value terms at £3,099m. United Kingdom sales were 9 per cent up and those in overseas markets 2 per cent higher.

But this masked "a marked reduction" in volume sales and the twin effect of lower volume and substantially higher costs which were overtaking price increases led to the fall in 1975 profits.

Under inflation accounting, of course, the picture would have looked much worse.

ICI, once again using the Current Purchasing Power method of inflation accounting which has now been rejected by the Sandilands team in favour of Current Cost Accounting, says that profits would have been lower by £250m in 1975 under CPP.

Apparently, the annual report will say that so far as ICI can see the outcome would not be very much different under CCA—a method of accounting which it nevertheless endorses provided there are concessions in the areas of taxation and pricing.

Financial Editor, page 19

Chevron participation pledge in N Sea hunt

By Roger Viole

Energy Correspondent

Chevron, one of the major American oil companies operating in Britain, has conceded the principle of state participation in the North Sea as a condition of gaining access to a possible extension of the Ninian field.

The group, which includes British, ICI, Murphy and Ocean Exploration, announced on Wednesday that they had reached agreement to drill two wells on block 3/7 to give them a majority shareholding in the licence.

But before government approval for the deal was given, Chevron and its partners had to agree to 51 per cent state participation if the new drilling programme proved the Ninian extension.

Although the agreement does not cover Chevron's interests in the main Ninian field, it is a major success for the Government since it is the first of the large American companies to concede the principle of participation in any form.

It might now be difficult for Chevron to be a subsidiary of Standard Oil of California, one of the seven largest oil companies in the world, to make various objections to government requests for volume 51 per cent participation in its Ninian licence.

Chevron, like all the companies in the North Sea, was involved in the first two rounds of participation talks with the Government. It has since held other preliminary talks over participation, but until now has shown no real interest in conceding the principle.

New chief named for Shell board

Mr. Robert Hart, an American, is to replace Sir Frank McClean as a non-executive director of the Royal Dutch Shell group from July 1.

Sir Frank is retiring from the group position at the end of June, but will continue as chairman of the company's British Airways subsidiary.

He has been chairman of British Airways since January 1 in addition to his responsibilities at Shell. Sir Frank will also resign as chairman of "Shell" Transport and Trading—the British arm of the Anglo-Dutch group—at the end of June, but will remain on the board.

Outside directors ordered for Phillips Petroleum

From Frank Vogt

Washington, Feb 19

Outside directors may be given much more power in big American companies in an effort to ensure that the companies do not make secret and illegal payments to government officials and politicians to win business and secure influence.

A precedent may have been established with a court settlement of an action by the Phillips Petroleum Company which was brought after disclosures that the company had illegally spent hundreds of thousands of dollars to finance American political campaigns.

The settlement forces the company's top executives to hand over to outside directors their full control over the company's finances and their domination of the company's board of directors.

In agreeing to the settlement in a federal court in Los Angeles, the shareholders stressed that they believed outside directors, nominated by them, would be less tempted to resort to illegal actions.

The Phillips board now consists of eight full-time executives and three outside directors. The new settlement permits an expansion of the board to 21 members, with six outside directors, having already been nominated for approval at the company's annual meeting in April.

All nominations for directorships will in future be made by a special committee of outside directors, and eventually the outside directors are to account for at least 60 per cent of the board's total number of seats.

Information volunteered by the company and other information discovered by government investigators showed that Phillips maintained a secret \$2.8m (nearly £1.4m) fund in Switzerland for use in financing political campaigns in the United States.

CONSUMER SPENDING

The following are the figures for consumers' expenditure seasonally adjusted at constant 1970 prices, released by the Central Statistical Office yesterday:	Annual rate of increase over previous quarter
1973 Q1	5m 14.0
Q2	8886 -7.3
Q3	9011 -5.8
Q4	9009 -0.1
1974 Q1	8880 -1.7
Q2	8963 5.6
Q3	9057 4.3
Q4	9100 1.9
1975 Q1	8941 -6.8
Q2	8814 -5.6
Q3	8830 0.7

THE POUND	Bank sells
Australia \$ 1.67	1.61
Austria Sch 38.00	36.00
Belgium Fr 83.25	80.25
Canada \$ 2.06	2.01
Denmark Kr 12.65	12.25
Finland Mk 7.85	7.70
France Fr 9.25	8.95
Germany Dm 5.30	5.10
Greece Dr 80.00	79.00
Hong Kong \$ 10.25	9.95
Italy L 1,725.00	1,665.00
Japan Yen 625.00	610.00
Netherlands Gld 5.50	5.38
Norway Kr 11.40	11.05
Portugal Esc 200.00	197.00
Spain Ptas 166.67	162.50
Sweden Kr 9.05	8.75
Switzerland Fr 5.30	5.10
US \$ 2.02	1.98
Yugoslavia Ddr 41.00	38.00

Final-quarter ICI profits boost to £103m reflects world trade upturn

By Our Financial Editor

Profitability at Imperial Chemical Industries recovered sharply towards the end of 1975 as the big international chemicals and fibres company saw the first signs of an upturn in world trade.

While ICI's profits for the year were down from £45m to £32m, those in the final quarter were up from £8m to £10m. ICI began to see a significant improvement in trading, particularly in North America, and this trend has apparently continued into 1976.

Before the results, the ICI share price had weakened a little. The stock market has been beset by speculation during the past few days that ICI would take the opportunity to make a rights issue.

These theories proved ill-founded, however, as the company has no immediate plans to raise money under way to raise about £100m to finance its share of the development of the Nimin Field in the North Sea.

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Financial Editor, page 19

Indemnity Guarantee must find new owner

By Our Financial Staff

A decision by the Department of Trade that ownership of Indemnity Guarantee Assurance should be changed emerged yesterday as the main reason behind the departure of the company's chairman, Mr. J. C. Caplan, from the company to cease trading under section 29 of the Insurance Companies Act.

Mr. J. C. Caplan, chairman of the group, claimed yesterday that Indemnity Guarantee was the solventest of the group's companies. He said the order was a "frustration" of the company's "fr and proper persons" clauses of the Act, which effectively offers no recourse after the department had discovered an infringement of the new rules on the company's assets.

Meanwhile, a number of top Lloyd's insurance brokers have held meetings about the over-extended group. They are thought to be concerned primarily with the company's reinsurer, division where any problems would directly affect Lloyd's reputation abroad.

There also appears to be some confusion over the precise ownership of Indemnity.

Mr. Caplan said yesterday that Indemnity, which has a net premium income of £1m a year, had assets of around £10m and a high solvency margin.

A buyer was being sought for the company, which was controlled by Castle Reinforcement, and in turn controlled by M. Benady & Co of Gibraltar, he said. Mr. Benady is the major shareholder in these concerns and in Uval, an Israeli insurance company.

Indemnity's infringement arose over the valuation of a London office block in the group's 1974 accounts. The building, purchased for £220,000 during the year was estimated by the value to be worth £140,000 at the year-end.

It was included in the balance-sheet at the purchase price with the auditor's consent, after a "contingency policy" covering the difference in value had been purchased. The Department of Trade had objected to the fact that no note of the drop in valuation had been included in the 1974 accounts.

It appears now that any prospective purchaser would almost certainly be called on for an injection of cash. However, Mr. Caplan stressed that the group had adequate funds both on the life and the reinsurance side to "run off" its business.

Cementation challenges Iran claim

By Derek Harris

Cementation, part of Trafalgar House Investments, last night answered reports from Iranian sources in Iran that the company was a tender for hospital projects. The reports were "inaccurate in detail and inference," Mr. Victor Matthews, Trafalgar's deputy chairman and managing director, said.

Mr. Matthews was responding to Iranian suggestions that Trafalgar might be liable to pay compensation for the authorities' failure to provide a hospital building project at an average price of more than £250,000 a bed, when Iranian specifications had called for a price of not more than £43,000 a bed.

He denied that there was an agreement that the maximum price per bed should not exceed \$43,000 (about £21,000). He agreed that Cementation had first offered \$355,571,000 for 2,497 beds, had put forward a scheme from which the Iranian reports appeared to have emerged, but that the scheme was for a total turnkey operation, including equipping and staffing of the hospitals as well as design and construction and to a tight time schedule and demanded expenses greater than normal.

It involved, for instance, complete importation of labour and materials.

To reduce costs a second budget offer was made by Cementation on the basis of 2,000 beds at three hospitals. That brought the cost down to £210m.

When the Iranians asked for a more economical solution, a further budget offer was made involving little importation and other measures which brought the three hospital plan cost down to £178,500,000.

Mr. Matthews said Cementation had many times suggested more time should be allowed to complete the design and carry out more exhaustive studies.

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Curb on Italian flight of capital

From John Earle

Rome, Feb 19

Signor Aldo Moro, the Italian Prime Minister, today said his new government would soon introduce new measures to combat "with extreme rigour" the clandestine flight abroad of capital which had become a structural cause of weakness in the balance of payments.

Without going into details, he said it was proposed to treat future contraventions as penal offences.

Presenting his new Christian Democratic minority government in parliament, Signor Moro pledged it would be a primary objective to curb public spending, reaffirming the limit laid down last autumn for Treasury indebtedness of 14,800,000 lire (about £9,800m).

Menswear chain to close next month

One of Britain's best known menswear chains is to disappear at the end of next month. The 85 remaining shops in the John Temple chain (originally known as Weaver & Wearers) are to close, making up to 500 people redundant.

Last night Mr. Harold Bowmer, a director of Great Universal Stores, the parent company, said GUS had decided to close the chain "very recently" because they were unprofitable owing to soaring costs compounded with low sales from small shops.

He also said that the 85 shops were mostly subject to short leases falling due for renewal soon. Most were in what he described as "bad sites", away from the main shopping centre or precinct. After the closure the shops would be sold.

Big cut in American holdings in Rank

American investors have been heavy sellers of Rank Organisation shares over the past year, according to the company's annual report and accounts published today. In 1974, 55 per cent of the non-voting shares were held in America, but by the end of last October this had dropped to 34 per cent.

Following the announcement of the non-voting shares, American investors will account for 28 per cent of the enlarged ordinary share capital on the basis of their shareholdings at January 20, 1976. At the annual general meeting on March 16, shareholders will be asked to ratify a proposal to reduce the share capital to £150,000,000, a young Cardiff businessman, announced plans to submit a bid.

Mr. Constance said: "The consortium I represent is actively pursuing negotiations with the official liquidator. Detailed proposals for the rapid recovery and future success of the company are currently being put to the liquidator from this consortium."

He declined to comment on reports that he represents overseas interests with access to more than £30m.

On Wednesday Mr. Titcombe was cheered when he told a mass meeting of the 800 workers sitting in at Norton Villiers that he would be offering a £1m deposit and asking for a 90-day option to find the balance of the purchase price, reported to be £3m.

Deloitte partner leaves ICA post

It was confirmed yesterday by the Institute of Chartered Accountants that Mr. David Richards, a senior partner of Deloitte and Co, had resigned as chairman of the auditing practices committee and that he would not be taking up the chairmanship of the proposed auditing standards committee.

Mr. Richards' decision was taken in view of his former association with the accountants Harwood, Bannister, who were recently criticized in the Department of Trade report on London & County Securities. Although not personally involved in the L & C affair, Mr. Richards is understood to have felt that it would be better if he stood down.

Top Chrysler changes

Among top management changes yesterday by Chrysler UK Mr. Don Lander, United Kingdom managing director, has been made vice-president. Europe. Mr. George Lacy will be deputy managing director and Mr. Joe Daly, director of finance.

£20m loans for gas

Two loans, totalling the equivalent of £20m, have been made to British Gas Corporation by the European Investment Bank to help to finance the pipeline network for the Frigg natural gas field in the North Sea. The loans are for 10 years at 9 1/2 per cent.

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LETTERS TO THE EDITOR

Scrutinizing company business by the formation of an audit committee

From Mr B. W. Flint

Sir, Whether or not the City's view of the relationship between non-executive directors and independent auditors has stayed the same since the Royal Mail case in 1931 (as suggested by Mr Richard Lamb, February 12) is best commented on by others who are closer to the City than I. However, it would seem that any individual relying on another for assistance in discharging his legal obligations and in maintaining his business reputation to take steps to assure himself that his reliance is justified. One such step open to non-executive directors is the formation of an audit committee.

An audit committee should be formally constituted as a standing committee of the board of directors and be composed of three to five non-executive directors. Its constitution should enable it to call before it the independent auditors, members of the company's internal audit team, all executive directors, and appropriate senior officers and employees of the company. Appropriate employees of the company should be aware of the committee's existence and should have direct access to it to explain any matters of concern to them.

The committee should be involved in the selection of auditors and in the discussions fixing their fees. At the beginning of each annual audit it should require the auditor to explain the proposed scope of his audit, the extent to which he will be relying on other firms who have been engaged to audit subsidiaries, the extent of his cooperation with the internal auditors and the matters which he expects to be his main concerns during the audit. In addition to making suggestions in both independent and internal auditors, the committee should be empowered to require both to extend the scope of their work where this seems to the committee to be desirable.

Throughout the audit, the committee should receive copies of all correspondence between the company and the auditors, including the auditors' recommendation for improvements in the company's procedures, and the company's responses. The committee should also receive copies of summaries of all reports of the internal auditors and should request additional explanations of any matters as necessary, so as to satisfy itself of the existence of effective accounting and control systems.

At the completion of the audit, but before the full board meets to approve the accounts, the auditors should provide the committee with details of all significant matters about which the company and the auditors began with differences of opinion, even if the differences have been settled. The committee should require the appropriate officers and employees of the company to explain their original position and both parties should justify the final agreed position. The committee should also address any other aspects of the annual accounts which appear to it to require explanation. In addition, the committee should review all significant financial information published by the company.

Finally, the committee should report regularly to the full board and its report to the meeting called to approve the annual accounts should be particularly comprehensive. Non-executive directors who took precautions such as these would have a valid justification for relying on the auditors in the exercise of their stewardship of the company's affairs.

Yours faithfully,

BRIAN W. FLINT,

17, Avenue George V,

75008 Paris, France.

February 13.

Some home truths for a jobless graduate

From Mr D. B. Welbourn

Sir, Miss Jill Sargent needs urgently to learn some home truths.

(1) The universities of this country are producing arts graduates in such numbers that many of them will have to do the sorts of jobs which formerly were done by people without degrees.

(2) If higher education is to pay for itself economically (as opposed to helping people to enjoy life more), these jobs will then have to be done better, and will prove to be "worthy" of graduates.

(3) She lowers her chances of anyone wishing to employ her every day that she is so lacking in self-esteem that she is willing to accept maintenance at the cost of those who are themselves working.

(4) Many jobs must be commenced at the bottom. A young graduate who, for the sake of his pride in supporting himself, is now driving a lorry said to me recently that the job was not worthy of his abilities. I

asked whether he thought that being manager of his fleet of lorries was; and he agreed to that proposition. He took the point when I suggested that no one could manage such an outfit efficiently who had not himself considerable experience of lorry-driving.

(5) For her three years in Cambridge Miss Sargent was supported by the marginal productivity of a couple of miners on a coal face: would they feel, reading her letter, that they had got value for money?

(6) Having worked on the shop floor myself I can assure Miss Sargent that many important economic truths can be learned there which are not taught in Cambridge.

Yours truly,
D. B. WELBOURN,
Director in Industrial Cooperation,
Wolfson Cambridge Industrial Unit,
University of Cambridge,
20 Trumpington Street,
Cambridge, CB2 1QA.
February 18.

Where to find Sheffield scissors

From Miss M. Arnold

Sir, I refer to the letter from Mrs Vezzey (Business News, February 10).

Mrs Vezzey has been misled by the shop in which she asked to buy scissors made in Sheffield as it is definitely untrue to say that these cannot be obtained. It is possible because retailers find it is commercially more attractive to sell cheap imported scissors on which they can make more profit than they prefer to stock these rather than scissors made in Sheffield.

If anyone wishes to know where to obtain good quality Sheffield scissors this association will be pleased to provide names and addresses.

Yours faithfully,
M. ARNOLD,
Secretary, United Kingdom Cutlery and Silverware Manufacturers' Association,
Light Trades House,
Melbourne Avenue,
Sheffield S10 2QJ.
February 11.

WHITE PAPER ON PUBLIC EXPENDITURE

NATIONAL ENTERPRISE BOARD

£950m allocation plus loan guarantee funds

By Malcolm Brown

Rolls-Royce (1971), the state-owned aero engine company has agreed its 1976 budget with the Department of Industry after delays which caused irritability over the speed at which Whitehall works. Rolls was asking the Government for more than £100m of working capital for the year.

The Department of Industry announced its agreement with the company just as the Chancellor was unveiling his public expenditure White Paper which makes it clear that the Department's responsibility for funding the working capital requirement of Rolls-Royce (1971) will terminate in the near future, to be transferred to the National Enterprise Board.

No final date has been fixed for transfer of the Rolls shares to the NEB portfolio, but it seems likely it will be next month.

The main stumbling block to the transfer—a dispute between Lord Ryder, NEB chairman, and Sir Kenneth Keith, chairman of Rolls, over the relationship between the board and the company—now appears to be nearing a resolution.

The White Paper allocates £225m a year in each of the four years 1976-77 to 1979-80 to the NEB, with £50m for 1975-76.

The total of £950m represents

the £1,000m provided for the board under the Industry Act, 1975, minus a notional allowance for that part of the board's resources which will be used in guaranteeing loans raised outside by NEB companies.

This sum comes within the NEB's £1,000m statutory limit, but is not a charge on the Exchequer until or unless it is called for.

The White Paper says of the provision—which is for capital investment, by way of share acquisition and loans—that it is "inevitably arbitrary".

The Treasury said the allocations had been made in this simple fashion because as yet it was not clear how the NEB would operate nor precisely what funds it would need.

It is stressed that the £1,000m will not be the sole source of funds for NEB companies, which will be eligible also for selective assistance under the Industry Act, 1972.

British Leyland is to get £200m of selective assistance over the period, which is additional to the £247m for the purchase of equity in British Leyland under the British Leyland Act, 1975, and to the £300m which the Treasury assumes will be required from the NEB funds. Provision is also in the £55m loan to Chrysler UK, in addition to covering expected losses in the next two years.

STATE INDUSTRIES

Original spending plans to be pared by £573m

By Peter Hill and Roger Vielvoe

Nationalized industry spending programmes are to be cut back under government plans for the next four years announced yesterday. Spending in the public sector overall, however, will continue to rise in the period to March next year.

But in the following two years investment by state bodies will be pared back £573m over the levels planned a year ago.

In the financial year which ends next month, public sector spending is estimated to reach £3,358.2m—£503.4m more than was estimated last year. And in the following year, although there will be considerable decline in the overall spending levels—£3,049.9m—this is still £77.4m above last year's forecasts.

The main feature of the latest estimates is the stabilization of spending by the fuel industries—with the exception

of coal—and an accelerated rate of spending for the state steel sector under its 10-year development programme now costed at some £4,500m.

On the year now ending the highest increase in the past year reflects both the inclusion for the first time of a capital programme for the British National Oil Corporation which came into being on January 1 this year, and provision of £280m which is linked to financial stockpiling schemes for coal and steel.

According to the forecasts the Government will pay out some £100m in the state industries in compensation for price restraint in the past year. But, in line with government policy, there is no provision for further compensation in the next four years.

Given that public sector is now required to meet commercial prices, there are obvious implications for further price increases.

The figures show that the National Coal Board has been successful in keeping its "Plan for coal" intact despite serious overproduction in the industry this year. It had estimated that the first stage of providing 42 million tons of new mining capacity a year by 1985 would cost £536m.

Inflation, together with a more detailed costing of the programme to sink new mines, has increased capital spending estimates up to 1978-79 to £892m.

In view of this increase the NCB will have to revise the £1,400m estimate for completing the total plan. From next year annual spending by the board will top £200m and between 1977-78 and 1979-80 will be around £242m a year.

A big part of this spending will be on the new mine at Selby in Yorkshire, which, when complete, will have capacity of 10 million tons a year.

The financially-troubled British Steel Corporation—expecting a loss in the current financial year of about £290m—also appears to have convinced the Government of the importance of maintaining its development strategy, approved in 1973 and costed at £3,000m and now costed at more than £4,300m.

The implementation of the programme not off to a slow start and following the review of the plant closure programme (still to be completed by the Government) the Board is apparently keen to see the programme accelerated and this is reflected in increased provisions

THE GROWTH AND USE OF RESOURCES 1974-1979

Year	1974	Average annual increase 1974-79					
		Case I	Case II	Case III	Case IV	Case V	Case VI
1. SUPPLY OF RESOURCES							
2. Gross domestic product (GDP)	47,200	1,200	1,200	1,200	1,200	1,200	1,200
3. Net flow of resources into (+) or out of (-) balance of trade in goods and services	-200	500	500	500	500	500	500
4. Available for domestic use (line 1 minus line 2)	47,000	700	700	700	700	700	700
5. DOMESTIC USE OF RESOURCES							
6. Investment	4,700	350	350	350	350	350	350
7. Private investment	1,300	100	100	100	100	100	100
8. Nationalised industries investment	—	—	—	—	—	—	—
9. Available for other public expenditure and private consumption (line 4 minus line 6)	42,300	350	350	350	350	350	350
10. USES OF RESOURCES FOR OTHER PUBLIC EXPENDITURE AND PRIVATE CONSUMPTION							
11. Public expenditure	3,500	150	150	150	150	150	150
12. Private consumption	2,300	200	200	200	200	200	200
13. Total public expenditure (line 11 + line 12)	5,800	350	350	350	350	350	350
14. Total public expenditure (line 13 + line 9)	18,500	700	700	700	700	700	700
15. Personal consumption	22,000	310	310	310	310	310	310
16. Publicly financed personal consumption (line 13 minus line 11)	6,700	130	130	130	130	130	130
17. Total personal consumption (line 15 + line 16)	28,700	440	440	440	440	440	440
18. Total public expenditure (line 14 + line 17)	47,200	1,140	1,140	1,140	1,140	1,140	1,140

(1) For a detailed explanation of this Table, see Part 5, Section IV.

(2) Private and nationalised industry investment includes investment in housing.

(3) Expenditure on nationalised industry investment. The coverage of the public expenditure figures given in section CI of this Table differs in some respects from that given in the White Paper, for the reasons explained in the notes in Part 5, Section IV.

AIRCRAFT/SHIPBUILDING

£210m investment over four years

By Peter Hill

Two new state corporations which will be established later this year to run shipbuilding and aircraft industries will have a capital expenditure requirement of £210m over the next four years, according to preliminary estimates issued by the Government yesterday.

But the figures, disclosed in yesterday's Public Expenditure White Paper, are regarded as conservative and are based on investment plans for the two corporations and projects in the pipeline. There is no provision in the White Paper for the expenditure by either British Aerospace and British Shipbuilders—both of which are expected to come into being in October—although the bill for nationalization and associated costs is likely to be considerable.

The White Paper noted that

SCOTTISH HYDRO

Up to £70m for losses on cheap power

Provision of up to £70m is to be made to cover the losses incurred by the North of Scotland Hydro Electric Board under its eight-year-old contract to supply cheap power to the British smelter at Invergordon, in the Highlands.

It is proposed in the White Paper that the Scottish Office pays £50m this year to cover the board's accumulated losses on the contract since 1968, followed by payments of £10m in 1977 and 1978.

The Invergordon plant was one of three aluminium smelters built in the late 1960s, with what is reckoned to have been about 20% of development area grants, an amount by the then Labour Government to develop technologically advanced industries and save imports.

Invergordon and a second smelter at Anglesey both had the incentive of taking electricity from the national grid at rates which have never been revealed. British Aluminium's price was based on the national cost of base-load electricity from the Hunterston B nuclear power station.

The Hydro Electric Board said yesterday that the intention had been to cover the deficit resulting from the supply of power at a reduced rate by the cheaper electricity that would become available once Hunterston was brought on stream.

Because of technical and constructional delays, however, the £130m nuclear power station is years behind schedule and was turned into the national grid only a few weeks ago. It will build up to full power in the next five months.

As a result of the delay the Scottish board's deficit on its smelter account has been growing steadily year after year, the full extent only now revealed in the White Paper. In its annual report, the board said the accumulated losses had reached £22m.

for certain limited and continuing expenditure by the Government under the terms of the Industry Act, 1972. This covers present, capital commitment, for reconstruction programme to the state-owned Govan Shipbuilders (£28.4m); Cammell Laird (£22.5m); another state-owned company, Sunderland Shipbuilders (£15m) and Austins and Pickersgill (£9m). It further provides for £15m a year for shipbuilding from the next financial year onwards.

The estimates also provide funds for the United Kingdom share of the cost of the authorized production programme for 16 Concorde.

It is also noted that government Concorde development for the R8 211-22 and the production of the first 555 engines for the Lockheed TriStar had reached the stage where receipts were exceeding expenditure.

Provision is made, however,

BNOC

State oil's £450m budget over next 15 months

By Our Energy Correspondent

The British National Oil Corporation has a capital expenditure budget of £450m over the next 15 months it was disclosed yesterday.

So far the embryo industry has only the oil and gas assets taken over from the National Coal Board but the Government is currently negotiating to acquire British Oil's 30 per cent share in the Western Isles field in the northern part of the North Sea.

Continuing the NCB's capital spending obligations to its partners in the oil and gas developments, plus the possibility that it may have to finance the cost of buying British Oil's share in the Western Isles field, the Government has produced a budget for the current year of £200m.

Next year this figure will

rise to £250m to cover the continuing commitments in these two areas. As the negotiations for BNOC to obtain a 51 per cent holding in commercial oil fields in the North Sea are still incomplete, the corporation has found it difficult to estimate its capital requirements accurately.

Limited provision has been made for the effects of becoming a majority shareholder in a number of these oilfields next year. If requirements resulting from participation are large, a claim will have to be made on the contingency reserves.

Information and policy decisions on which to base the estimates for 1977/78 onwards are not available and provision for these years will also be charge on the contingency reserves.

REGIONAL AID

£3,000m for regenerating assisted areas to 1980

By Edward Townsend

A total of just under £3,000m (at 1975 prices) is earmarked in the White Paper for support and regeneration of the country's assisted areas during the next five years. The Government envisages expenditure of £374.5m this year, rising to £603m for 1979-80.

The figures show that by far the largest amounts will be used to finance regional development grants (£1,183m over the five years) and regional employment (£1,087.5m in real terms, not at constant prices).

But there will be a decline in government spending on almost all of the regional support schemes, the notable exception being the funding of the new Scottish and Welsh Development Agencies which are to receive £200m and £100m respectively over the period. Assistance to industry under

Section 7 of the Industry Act, available to the assisted areas for development and intermediate areas to supplement the basic regional incentives, totalled £76m in 1975-76 but is expected to fall to £47m for the current year and continuing to decline to £40m by 1980.

It is estimated that expenditure on land and factory building in 1975-76 cost £25.7m in England. This is expected to fall to £23.3m this year and £17m by 1980.

Significantly, the industrial development certificate scheme remains. This means Whitehall will continue to administer both the negative incentive of IDCs and the positive operation of industrial grants for the whole of the country, leaving little in the way of industrial development policy to be handled by the new development agencies.

CEGB to concentrate more effort in design

Bitter experience of delays, soaring costs and labour disputes in the construction of large power stations, including ventral and nuclear, has caused the Central Electricity Generating Board to adopt a new management approach.

In essence, it aims to concentrate more effort and resources in the design phase—if necessary accepting some delay before the main contracts are let—to reap the benefits of a smoother construction process later. This is coupled with a more thorough checking of the ability of suppliers to maintain high quality and to provide effective programme management.

Details of the background to the board's decision were given in a lecture by Mr Robert Peddie, CEGB member, to the Institution of Electrical Engineers, speaking on the management of large, high-technology projects. He described the board's experience with the 600MW unit and advanced advanced reactor (AGR) programme.

By "large", Mr Peddie meant projects costing between £100m and £1,000m. Lead-times were invariably longer than the rate of change of technology.

The economic pressure of first costs, thermal efficiency and manpower use, he said, had led to the later power stations becoming very large and complex, with many of their design features at the limit of present technology.

The broad technical problem is to achieve the highest possible temperature for thermal power stations without sacrificing the long-term reliability of the plant. This means continual research into materials and manufacturing and inspection techniques.

Compared with a chemical complex or oil refinery of similar size, the design of a modern power station has to be more complex and more integrated. A refinery consists of a number of sections separated by storage; but in a generating plant it is not practicable to store energy in its changing forms as it passes through the power cycle.

For these reasons much research and development are needed to bring the design. Orders for the advanced gas-cooled reactors (AGRs) were placed with three consortia, each of which produced its own design. "It can not be seen", Mr Peddie said, "that there was insufficient national resources in the high-technology job of designing three prototype stations by three groups in isolation at the same time."

It became clear in more than one case that the designs were not fully coordinated with the abilities of the fabricators and erectors.

The greatest causes of delay, he added, had been the amount of design innovations and the failure to ensure that all prototype features were properly proven before being committed

to production. This led to delays in testing the deficiencies in design which were revealed during the expensive phases of construction, testing and commissioning.

Acoustic energy generated by gas circulators was one source of trouble. Industry's failure to produce and prove prototype units for the AGR to the original programme had expensive consequences, Mr Peddie said.

Oil leaks and vibrations occurred at Hinkley Point B; all circulators had to be stripped down, modified and rebuilt. Stations at Hartlepool and Heysham were delayed 18 months while insulation was redesigned, and fittings already installed were stripped out and replaced with new designs. The total cost of dealing with these problems was more than £20m and they were not isolated cases.

Another delaying factor can be the absence of firm safety requirements (set by the Nuclear Installations Inspectorate). In the case of the AGR, the consortia were given no specific safety criteria on which to base their designs. As each component or system was designed, submissions were made to the Nuclear Inspectorate; what followed, Mr Peddie suggested, was a times more like a medical discussion than a technical evaluation.

The classic case of disagreement was over the Hartlepool boilers, Mr Peddie recalled. The Inspectorate called for a double steel closure on the boilers and

caused a delay of about two years in the programme. The cost of the delay and of additional "hardware" came to about £25m.

The lessons of the AGR were that where prototype equipment was involved, it must be identified at the outset; and detailed programmes covering design, manufacture and testing must be produced and monitored.

On the general economics of constructing power stations Mr Peddie pointed out that it was impossible for the CEGB to defend any contract in which excess costs incurred by the contractor were not recovered.

As an example, he considered a £200m AGR station delayed for one year by a dispute on a £30m contract. On the credit side, liquidated damages of £2.5m per cent would give £2.5m. On the debit side, extra interest costs during construction (at bank base rate) would be £1.5m; £1.5m on a £200m contract; £1.5m on a £30m contract; and contract price of £30m and other escalation factors on all other contracts between £10m and £20m.

Such costs mean the Government must be able to itself in the total project concluded, "which at the time clearly defines the responsibility for performance and accountability for performance".

Kenne

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Good salary, 35-40, 45-50, 55-60, 60-65, 65-70, 70-75, 75-80, 80-85, 85-90, 90-95, 95-100, 100-105, 105-110, 110-115, 115-120, 120-125, 125-130, 130-135, 135-140, 140-145, 145-150, 150-155, 155-160, 160-165, 165-170, 170-175, 175-180, 180-185, 185-190, 190-195, 195-200, 200-205, 205-210, 210-215, 215-220, 220-225, 225-230, 230-235, 235-240, 240-245, 245-250, 250-255, 255-260, 260-265, 265-270, 270-275, 275-280, 280-285, 285-290, 290-295, 295-300, 300-305, 305-310, 310-315, 315-320, 320-325, 325-330, 330-335, 335-340, 340-345, 345-350, 350-355, 355-360, 360-365, 365-370, 370-375, 375-380, 380-385, 385-390, 390-395, 395-400, 400-405, 405-410, 410-415, 415-420, 420-425, 425-430, 430-435, 435-440, 440-445, 445-450, 450-455, 455-460, 460-465, 465-470, 470-475, 475-480, 480-485, 485-490, 490-495, 495-500, 500-505, 505-510, 510-515, 515-520, 520-525, 525-530, 530-535, 535-540, 540-545, 545-550, 550-555, 555-560, 560-565, 565-570, 570-575, 575-580, 580-585, 585-590, 590-595, 595-600, 600-605, 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BUSINESS VETS

Prices stay firm

§ Forward bargains are permitted on two previous days.

Developing countries' payments crisis poses world finance problem

Geneva, Feb. 19.—The difficulties of developing countries which borrowed to cover payments deficits could lead to a re-financing or default, M. René Larre, general manager of the Bank for International Settlements, said today.

Payments deficit financing is the most pressing problem facing the international monetary world, he told the Swiss American Chamber of Commerce. Temporary relief of about \$5,000 million from increased international money market borrowing rights and IMF gold sales is unlikely to solve these problems and further talks may be necessary on a link between special drawing rights and development aid, he said.

M. Larre stressed that the most disturbing part of the payments deficits in industrialized countries is the way in which the burden has fallen on the weakest.

The OECD countries' deficit virtually disappeared last year, but an overall deficit of some \$13,000 million re-emerged in 1975 if the recovery continues. The weakest countries will have a total deficit of some \$30,000 million.

Herr Apel sees no need to alter 'snake' parities

Frankfurt, Feb. 19.—Herr Hans Apel, West German Finance Minister, said today that there was no need in the foreseeable future to change parities of currencies in the joint European fund known as the 'snake'.

Speaking after a Federal Bank central bank meeting, he said decisions taken at Frankfurt and Kingston, Jamaica, on international currency rules had stood up to the test posed by the recent bout of speculative unrest on the foreign exchange market.

Central Banks were determined to oppose any possible further waves of speculation by using the existing mechanisms of the float, Herr Apel added. There was no reason to change parities within the float or for reducing German bank rate.

Asia urged to compete for US oil capital

Singapore, Feb. 19.—Asian countries must offer favourable terms to attract oil capital, which was flowing back into the United States, three British petroleum consultants told the Offshore South-East Asia conference here today.

The experts Mr. B. D. Gaffney, Mr. C. P. Moyes and Mr. B. A. King of Gaffney, Cline and Associates, said in a joint paper that American companies, which controlled 80 to 85 per cent of capital investment in the world oil industry, were under government pressure to redirect their investment into domestic energy. India and Bangladesh required foreign capital to develop their oil resources. Even China in time to come would invite foreign capital to take part in offshore exploration, they said.

Industrial Films

Novices can benefit from 'Talking in pictures'

The British Industrial and Scientific Film Association, being naturally interested in the wider and more efficient use of audio visual media has very appropriately produced *Talking in Pictures*, a 27-minute videotape presentation of the various uses of a/v and the help that the medium can give to novice users. Aside from the well chosen and persuasive content of the production, it is itself a very efficient use of an economical technique.

It is to be launched on March 25 at the Shell Centre Cinema with the British Institute of Management and the CBI participating in the programme. Road shows in the main industrial centres will follow, with members of BISFA providing back-up material. And the production is available on free loan, in video cassette as well as 16mm film, from BISFA at 26 D'Arbury Street, W1.

Part of the point of the presentation is of course that there are now other ways of talking in pictures than the familiar 16mm film. BISFA is also running a one-day seminar on one aspect of this, on February 24 at the Royal Commonwealth Society, when film strip and slide tape will be seen.

Law Report February 21 1976

Court of Appeal

Participation in offences of indecency

Regina v Preece

Regina v Howells

Before Lord Justice Scarman, Lord Justice Geoffrey Lane and Mr. Justice Willes

An offence of indecency between men was not committed unless both had participated in the indecency. "With another man" in section 13 of the Sexual Offences Act, 1956, could not be construed as meaning "in the company of" or "in the presence of" or "directed towards" a person who did not consent, since that could lead to that person's embarrassment or injury to him, through being named in the indictment, although he had not consented to any indecency.

The Court of Appeal dismissed appeals by Keith Preece and Kenneth Howells against their convictions last July at Hereford Crown Court (Judge Green) for offences of gross indecency in a public lavatory. The court held that although the judge directed the jury was wrong, the evidence was such that they had been properly directed they must have convicted the appellants.

Section 13 provides: "It is an offence for a man to commit an act of gross indecency with another man, whether in public or private, or to be a party to the commission of such an act by another man."

Mr. Justice Willes said that the appellants were acting in concert, both were guilty of an offence, if they considered that one appellant had masturbated intending that he should be seen by the other or if he directed his masturbation towards the other, that appellant

would be guilty of an act of gross indecency although the other had not consented. The first ruling was not challenged, but the question arose whether the second offence was correct.

The case law is unclear. The trial judge relied on *R v Hall* (1964) 1 QB 277, where Lord Parker in the Court of Appeal construed "with" in section 13 not as meaning "in the company of" or "in the presence of" or "directed towards" but as having the meaning of "in the company of" or "in the presence of" or "directed towards" a person who did not consent, since that could lead to that person's embarrassment or injury to him, through being named in the indictment, although he had not consented to any indecency.

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WARSAW

Overlooking Marina and River Hamble yet within easy reach Southampton/Portsmouth. Attractive Block of Luxury Flats Spaciously planned and well appointed throughout. Features include: Double Glazing, full gas heating and Automatic Purifier System. 2 Bedrooms (fitted wardrobes), Bathroom on suite, 2nd Bathroom/Showers Room, magnificent Living Room with Dining Area, Luxury Kitchen, Sun Balcony, Garage and Store. Prices from £19,750. 30/34 London Road, Southampton. Tel.: 0783 25155.

ROMSEY, IDEAL RETIREMENT

Generously proportioned, easily maintained Bungalow. 2 Bedrooms, Dressing Room, Bath, Kitchen, Dining Room, Hall, Sliding Room, Sun Room, Kitchen, Gas C.H. Garage and Carport. Attractive secluded Garden. £17,750 Freehold. 2 Market Place, Romsey. Tel.: 0794 513085.

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Modern split-level Bungalow Residence. Choice elevated site with views towards Town. Refurbished in recent years and would provide self-contained Suite. 4 Bedrooms, 2 Bathrooms (1 en Suite), Reception Hall, fine Lounge with Dining Area, Kitchen/Breakfast Room, Oil C.H. Double Garage. Sheltered secluded grounds of about 1 acre. £37,500 Freehold. 85 High Street, Lympington. Tel.: 05907 5424.

FORDINGBRIDGE 2 MILES

Edge of New Forest, attractive detached Bungalow. Ideal for retirement or weekend retreat. 2 Bedrooms, Living Room, Slipping Garden of 1 acre. Auction 15th March. Price guide £20,000. 5 & 7 Salisbury Street, Fordingbridge. Tel.: 0425 52121.

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Exceptionally well-equipped block of 12 Luxury Flats (7 available). 2 Bedrooms, Bathroom with Shower Cubicle, South-facing Living Room with Balcony overlooking Farm and Kitchen with waste disposal, etc. Gas C.H. Garage. Landscaped Garden. £13,200 Leasehold. 2 Market Place, Romsey. Tel.: 0794 513085.

NEW FOREST

Fordingbridge 4 miles. Outstanding property in woodland setting on outskirts of picturesque village. Lounge (20ft x 12ft), Dining Room, 4 Bedrooms (11, 10, 9, 8), 2 Bathrooms. Attractive, easily maintained grounds of 3 acres. £44,000. 5 & 7 Salisbury Street, Fordingbridge. Tel.: 0425 52121.

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A splendid family residence recently enlarged and modernized. Delightful site on outskirts of Warsash Village. 5 bedrooms, 2 bathrooms, incl. suite, 2 fine reception rooms, study, sitting room, kitchen/breakfast room, utility room, warm air C.H. Double garage. Stabling, boat store and workshop. Garden, orchard and paddock about 25 acres. £48,500 Freehold. 30/34 London Road, Southampton. Tel.: 0783 25155.

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THE BAY, BIRCHINGTON, KENT

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Focus on Residential Property on the South Coast

Hopes of higher house prices are blowing in the wind

On a clear day you can see as far as the return to a seller's market along the south coast. That's the opinion of two old salts of the residential property market at different ends of the coast, Mr. David Nesbitt and Mr. Nigel Stephens.

Mr. Stephens is the senior partner of Whiteheads, which has headquarters in Chichester and 20 offices stretching north as far as Hove and Farnham, east to Hove and west to Southampton. He's also a member of the estate agency committee of the Royal Institution of Chartered Surveyors.

His end of the south coast escaped the full force of the 1973 property prices crash, he says, prices remaining firmer even than in inner commuter areas such as those of Surrey.

One stabilizer is the number of Londoners who ahead of retirement buy second homes in places with good communication with the capital, among them, Chichester, Worthing, Chichester or Hove.

As these buyers scale down their London activities, so the second home becomes a first home, while for those with real money, the existing or a newer, smaller London home takes second place.

Mr. Stephens says that the

only really heavy fall noted last year was in the £40,000-plus bracket, where people had become very choosy as they saw their incomes falling behind increases in running costs.

An eight-bedroomed modern or period house in four acres that might have cost £100,000 or more in 1972-73 would still have found buyers around £55,000 or £60,000 but even this is beginning to pick up.

The further down the price scale the greater is improvement in prices being asked and obtained, Mr. Stephens says.

On the evidence of the last few weeks, he feels new or recent semi or detached houses in cheaper areas like Bognor Regis reaching £13,500 by the end of 1976, £10,000 more than now and about the same as in the 1972 heyday.

He's less willing to be drawn on larger, four-bedroomed houses where price can depend much more on the district or the view, but some of these are already at their former peak and rising.

None the less, while he is bullish, he does not see any return this year to the antics of a couple of years ago. Owners, he says, are this year beginning to keep back properties from the market, under the reasonable assumption that prices have to in-

£6,000 plus appointments

ROBERT W. HUNT INTERNATIONAL CORPORATION IMMEDIATE OPENINGS IN IRAN

For the following DEGREE DESIGN REVIEW ENGINEERS

- 1 - CIVIL ENGINEERS
- 2 - MECHANICAL ENGINEERS
- 3 - ELECTRICAL ENGINEERS
- 4 - INSTRUMENT & CONTROL ENGINEERS

For the following EXPERIENCED CONSTRUCTION INSPECTORS AND MANAGERS - ON PUMPING STATIONS

Minimum experience for the above positions: 10 years in petroleum construction field involving pumping stations.
Single status preferred. Salaries commensurate with experience, ranging from 3,000-4,000 US Dollars per month (approx.).

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The Rank Organisation Limited Finance Director

The Rank Organisation is seeking applicants for the newly created and key position of Finance Director. The duties will include those normally associated with this position in a major company, with a direct responsibility to the Managing Director and the Board. The Finance Director will also be involved with the senior management of the Group in major investment decisions and the development of long-range strategy.

Apart from technical competence and commercial acumen, applicants need to have had considerable experience in performing a similar role with a diversified public group. Preferred age 40 to 50.

Please write in confidence to us, quoting reference 1473/S and addressing letters to: D. R. Matthews,

Peat, Marwick, Mitchell & Co., Management Consultants,
Suite 401, Salisbury House, Finsbury Circus,
London, EC2M 5UR.

County Industrial Development Officer

Salary Scale:
£6,729-£7,407 per annum

Applications are invited for this important post from senior executives in industry or the public service following the appointment of the present holder of the post as Director of Industrial and Commercial Development for Merseyside County Council.

The successful applicant will be responsible for implementing the policies of the County Council in relation to the industrial and commercial development of Cheshire.

The County Council are seeking a senior officer with a high degree of drive and initiative who has wide experience in the development of industry, commerce and related infrastructure. Application form and further details obtainable from the Director of Administration, Shire Hall, Mold (Tel. Mold 2121, Ext. 375) to be returned by 12th March.

Director General of Fair Trading

The Secretary of State for Prices and Consumer Protection will be appointing a new Director General of Fair Trading to succeed Mr John Methven, who is giving up the post at the end of May.

Anyone who would like to be considered by the Secretary of State is invited to write to that effect in confidence, not later than March 8th 1976, to Mr D.A. Lovelock, CB,

Principal Establishment and Finance Officer,
Department of Prices and Consumer Protection,
1 Victoria Street, London SW1H 0ET.

MANAGING DIRECTOR

£11,600 to £13,460 per annum

Skelmersdale New Town is at an exciting and challenging stage of its development. Starting 12 years ago with a population of less than 10,000 and three small industrial concerns it now has well over 40,000 people and over 100 factories.

The Development Corporation are looking for a successor to their present Managing Director who will in May take up the appointment of Chief Executive on the Board of the Welsh Development Agency. Our Managing Director needs initiative, energy, high intellectual ability and force of character. He/she must be able to control and coordinate a large multi-professional staff to achieve the continued development of the New Town and to co-ordinate it with other public and private agencies. Skelmersdale lies 18 miles north-west of Liverpool, 30 miles north-west of Manchester and 12 miles from the west coast. The Lake District, Peak District and North Wales are all within easy reach. Communications are first class with the M6 only two miles away and Manchester International Airport about 40 minutes by the motorway.

Starting salary may be above the minimum. The Corporation offer a five day week, superannuation, free life assurance scheme, car provision, 100% removal expenses and generous assistance with expenses in moving home.

Application forms are obtainable from:
The Secretary to the Corporation,
Skelmersdale Development Corporation,
Pennylands,
Skelmersdale, Lancashire WN8 8AR.
Tel: Skelmersdale 24242.
and should be returned not later than 4th March, 1976.
Final interviews of short listed applicants will be on 15 March 1976.

SKELMERSDALE NEW TOWN

BRENTFORD NYLONS

Financial Director

£12,000+

This senior appointment with Brentford Nylons Ltd. is a Main Board position. The successful applicant will be aged 40-45 and have considerable experience in the textile retailing field, ideally holding a similar post at the present time. The appointment will be based at Headquarters and will involve Financial Planning and Budgetary responsibilities for all Group operations. The successful candidate will also be responsible for the management of the Group's financial affairs. The successful candidate will be responsible for the management of the Group's financial affairs. The successful candidate will be responsible for the management of the Group's financial affairs.

HAMPSHIRE MAGISTRATES' COURTS COMMITTEE

Winchester, Petersfield, Alton and
Dorchester Petty Sessions Divisions

Appointment of Clerk to the Justices

Applications are invited from Barristers and Solicitors qualified under Section 71 of the Justices of the Peace Act, 1949, for the position of Clerk to the Justices for the above Petty Sessions Divisions having a total population of 150,000. The office is situated at Winchester and Courts are at Winchester, Petersfield, Alton and Dorchester.

The salary for the post will be within the total scale £5,065 to £5,815 (1975) which includes multiple clubbing allowance of £500 and allowances for additional duties as Fixed Penalty Collecting Officer for the County (1975) and Secretary of an Advisory Committee (1975).

The appointment is subject to the Conditions of Service of the Joint Negotiating Committee for Justices' Clerks, the Local Government Superannuation Act, and the Local Government Pension Scheme. Applications, including the names and addresses of two referees, should be sent to the Clerk to the Justices, March 1st 1976. Short listed candidates will be notified by March 8th and invited for interview on March 15th.

Clerk to the Justices' Courts Committee
The Law Courts, Civic Centre, Southampton SO9 4WT

ROYAL COLLEGE OF OBSTETRICIANS AND GYNAECOLOGISTS COLLEGE SECRETARY

We are seeking a mature and responsible person to implement the policies of the College and to act as a link between the College and the medical profession. A C25 Diploma, or a basic knowledge of law and finance would be useful.

An essential qualification is previous experience at a senior level in a similar post. The successful applicant will command a salary of at least £7,000 p.a.

A superannuation scheme is in operation.
For more information write to the Secretary, The Royal College of Obstetricians and Gynaecologists, 25, Great Street, London W1P 6LP. Closing date for applications - 1st March, 1976. No special form required.

BRENTFORD NYLONS

require a divisional

CHAIRMAN

£25,000+

An outstanding appointment is to be made by Brentford Nylons Ltd. with the Main Board position. The successful applicant will be aged 35-45, and already have great experience and a record of success in top management level in the textile industry. (Some technical knowledge is essential.)

The appointment will be based in the North, taking direct control of the entire production operation - spinning, dyeing, weaving and making-up - of a range of textile products including: Polyester Cotton sheets, Nylon sheets, Acrylic blankets and allied merchandise. Naturally, the usual fringe benefits will accompany the salary attached to this very senior position.

Please write, in confidence, enclosing a detailed resume of your career and achievements to date, to:

The Chairman, Brentford Nylons Limited,
New Headquarters Building,
Great West Road, Brentford, Middlesex.

Management Opportunity Publishing and Related Fields

The Job: To add overall strength to the existing management team. The right person should ideally have experience of all aspects of publishing or general management experience in a publishing context and be capable of acting on his or her own initiative.

The Company: The company is a small but fast-growing specialist publisher in the legal and business field. It is a member of a £14m turnover group currently expanding both in the U.K. and overseas, and associated companies are engaged in activities closely related to publishing. The applicant would be expected to make a contribution to the Group as a whole.

The Prospect: This is a senior appointment and terms and conditions will be highly competitive. The job is likely to appeal to someone outside the 25-40 age group or currently earning less than £5,000.

Applications with curriculum vitae in strictest confidence to:

Oyez Publishing Limited,
Oyez House, PO Box 65,
107 Long Lane,
London SE1 4PU
A subsidiary of The Solicitors' Law
Stationery Society, Limited

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SHIP MANAGEMENT COMPANY

Require for their office in Monaco
Experienced

ACCOUNTANT

to be responsible for Accounts Department to the local Managing Director and to the Controlling of the Holding.

Salary and other conditions negotiable.

We request applicants to give sufficient personal information, which will be treated in strictest confidence.

DAMMERS & VAN DER HEIDE'S

Shipping and Trading Company B.V.,
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ROTTERDAM

BUSINESS AFFAIRS MANAGER

Our Client, a leading W.I. Record Company, have an immediate opening for a Legal Adviser/Business Affairs Manager, preferably but not necessarily a qualified Solicitor. Acting as second in command to the Managing Director, responsibilities include ensuring full control of all legal and business matters relating to the continued success and future growth of this major concern. The essential qualities are an outgoing personality, a forward and firm approach to negotiating and the ability to make and follow through top level decisions regarding internal and external policy. The successful Candidate will receive a high negotiable salary according to experience and qualifications, car, expenses etc. and will ideally have had similar experience in the Music Industry or at least possess a well developed interest in, or knowledge of, this field. Applications in strict confidence should be made to W.I.S. EXECUTIVE APPOINTMENTS, Dames Inn House, 285 Strand, London, W.C.2. Tel: 01-242 5055.

GREATER MANCHESTER POLICE AUTHORITY

CHIEF CONSTABLE

£15,275/£14,157

Applications are invited from suitably qualified officers for this post which will become vacant on 1st July, 1976.

The successful applicant will be appointed subject to the approval of the Secretary of State, a satisfactory medical examination and to the provisions of the Police Act, 1964, and Police Regulations. Conditions of Service include rent allowance up to £1,000 p.a.; removal expenses; car allowance.

Applications by letter giving full career and relevant personal details to Clerk to the Greater Manchester Police Authority, County Hall, Piccadilly Gardens, Manchester M60 2HP by 12th March.

£12,000+ for

DYNAMIC MARKETING DIRECTOR

This is a Main Board position with one of Britain's major textile manufacturing/retailing companies. The successful applicant will be aged 30-45 and have a brilliant track record in Marketing and Product Development. Ideally having retail experience of household and fashion textile goods at the present time.

The appointment will be based in London and will involve the development of new products and concepts to ensure that the company's Sales Force Objectives are successfully achieved. The usual fringe benefits will accompany the £12,000+ salary. Please write, in confidence, enclosing detailed resume to: Box 2482, 6, The Times.

EUROPEAN PARLIAMENT

European Conservative Group

Vacancy exists in Luxembourg Secretariat of Group for an Administrator (A5: Community scales of emoluments). Qualifications: Honours degree; fluent French; knowledge German or another Community language advantageous. Duties: Some administrative but mainly political in connection with the Constitution and Primary Sessions of the Parliament. Responsible appointment. Possible experience: industry; Government service; some arm of the Services; or international organisation. Applications (plus C.V.) by 5th March, 1976, to: Secretary General, European Conservative Group, European Parliament, P.O. Box 1601, Luxembourg.

WEST GERMANY

SALESMAN

APPOINTMENTS

LUMIERE (LEISURE) LIMITED

require a salesman to sell their range of folding Squash Courts and Squash Court accommodation in West Germany.

The successful applicant will reside in Germany and must obviously be fluent in German. Self motivated. A reasonable proficiency in Squash would be an advantage but not completely necessary. Basic plus commission will ensure minimum earnings of £7,000 p.a.

In the first instance apply in writing with full career details to date to The Managing Director, LUMIERE (LEISURE) LIMITED, STATION ROAD, NORTH HYKEHAM, LINCOLN, LN6 9AY.

VACANT

ALSO ON

PAGES

20 and 26

Barrister or Solicitor

required to assume overall control of all the legal operations of a world-wide financial group of the highest international standing with its headquarters in the Far East. The lawyer must be of considerable experience, capable of quick and accurate decision and of assuming some commercial as well as legal responsibility.

The preferred age is 40-45. The salary is subject to negotiation in accordance with ability and experience but will not be less than the equivalent of £20,000 per annum at the current rate of exchange and will be free of all tax.

Free furnished accommodation and first class air passages are provided for the successful applicant and his family. Six weeks annual holiday. An opportunity for the successful candidate after a trial period of one or two years to obtain permanent and pensionable terms of service.

Write in complete confidence to
Box Number 2088 S

by March 22nd 1976.

Solicitor

Exeter

We are a growing and lively insurance company at present engaged in transferring our Chief Office from London to Exeter.

We are now seeking to appoint a Solicitor to set up and manage a department to deal with our legal work, principally conveyancing and litigation, in Exeter. He or she will be given complete freedom of action in all professional aspects of this work but will be expected to report to our Legal Adviser, a barrister, from a management point of view.

Essential qualifications for appointment include relevant professional expertise obtained from

several years' admitted experience (ideally some of which will have been spent in a commercial or local authority environment). Proven managerial ability and a willingness to contribute to a team approach is of particular importance.

Salary commensurate with age and experience. Fringe benefits are excellent and include a low interest mortgage scheme, a non-contributory pension and flexible working hours.

Please write or telephone for further details and application form to:

David Bull, Personnel Department,
London and Manchester Assurance
Company Limited, 7-10 Southwark Street,
Exeter. Tel: Exeter (0392) 52155

London and Manchester Assurance
Company Limited

Appointments Vacant also on pages 20 and 25

UNIVERSITY APPOINTMENTS

The University of Liverpool

APPOINTMENT OF UNIVERSITY LIBRARIAN
Applications are invited for the post of University Librarian. The successful candidate will be responsible for the management of the University Library and will be required to develop the library's resources and services. The post is full-time and will be based at the University of Liverpool. Applications should be sent to the Vice-Chancellor, University of Liverpool, Leahurst, Neston, Merseyside, L69 3GB.

University of Strathclyde

POSTDOCTORAL RESEARCH FELLOWSHIP
Applications are invited for a postdoctoral research fellowship in the Department of Chemistry. The successful candidate will be required to carry out research in the field of organic chemistry. The fellowship is for a period of two years and will be based at the University of Strathclyde. Applications should be sent to the Department of Chemistry, University of Strathclyde, Livingstone Tower, Livingstone, Glasgow G7 7RX.

The University of Sheffield

LECTURER
Applications are invited for a post of Lecturer in the Department of Chemistry. The successful candidate will be required to teach and supervise students in the field of chemistry. The post is full-time and will be based at the University of Sheffield. Applications should be sent to the Department of Chemistry, University of Sheffield, Sheffield S10 2TN.

University of Manchester

CHAIR OF PHYSICAL CHEMISTRY
Applications are invited for a Chair of Physical Chemistry. The successful candidate will be required to teach and supervise students in the field of physical chemistry. The post is full-time and will be based at the University of Manchester. Applications should be sent to the Department of Chemistry, University of Manchester, Oxford Road, Manchester M13 9PL.

School of Agriculture

LECTURESHIP IN AGRICULTURE
Applications are invited for a lectureship in agriculture. The successful candidate will be required to teach and supervise students in the field of agriculture. The post is full-time and will be based at the School of Agriculture. Applications should be sent to the School of Agriculture, University of Manchester, Oxford Road, Manchester M13 9PL.

UNIVERSITY APPOINTMENTS

University of Waikato

LECTURER OR SENIOR LECTURER EDUCATION
Applications are invited for a post of Lecturer or Senior Lecturer in Education. The successful candidate will be required to teach and supervise students in the field of education. The post is full-time and will be based at the University of Waikato. Applications should be sent to the Department of Education, University of Waikato, Hamilton, New Zealand.

The Queen's University of Belfast

LECTURESHIP IN INORGANIC CHEMISTRY
Applications are invited for a lectureship in inorganic chemistry. The successful candidate will be required to teach and supervise students in the field of inorganic chemistry. The post is full-time and will be based at the Queen's University of Belfast. Applications should be sent to the Department of Chemistry, Queen's University of Belfast, Belfast BT7 1NN.

University of the West Indies

LECTURESHIP IN CHEMISTRY
Applications are invited for a lectureship in chemistry. The successful candidate will be required to teach and supervise students in the field of chemistry. The post is full-time and will be based at the University of the West Indies. Applications should be sent to the Department of Chemistry, University of the West Indies, St. Augustine, Trinidad and Tobago.

University of St Andrews

TEMPORARY LECTURER IN ECONOMICS
Applications are invited for a temporary lectureship in economics. The successful candidate will be required to teach and supervise students in the field of economics. The post is temporary and will be based at the University of St Andrews. Applications should be sent to the Department of Economics, University of St Andrews, St Andrews, Scotland.

UNIVERSITY APPOINTMENTS

University of Nairobi

ENGINEER (SERVICES) In the Housing Research Unit
Applications are invited for a post of Engineer (Services) in the Housing Research Unit. The successful candidate will be required to carry out research and development work in the field of housing. The post is full-time and will be based at the University of Nairobi. Applications should be sent to the Housing Research Unit, University of Nairobi, Nairobi, Kenya.

Queen Elizabeth College

LECTURER IN FOOD SCIENCE (FOOD PREPARATION)
Applications are invited for a lectureship in food science (food preparation). The successful candidate will be required to teach and supervise students in the field of food science. The post is full-time and will be based at Queen Elizabeth College. Applications should be sent to the Department of Food Science, Queen Elizabeth College, London W8 5AH.

The University of Lancaster

POST IN CHEMISTRY
Applications are invited for a post in chemistry. The successful candidate will be required to carry out research and development work in the field of chemistry. The post is full-time and will be based at the University of Lancaster. Applications should be sent to the Department of Chemistry, University of Lancaster, Lancaster LA1 4YW.

Saint David's University

TEMPORARY LECTURER IN THE DEPARTMENT OF TECHNOLOGY
Applications are invited for a temporary lectureship in technology. The successful candidate will be required to teach and supervise students in the field of technology. The post is temporary and will be based at Saint David's University. Applications should be sent to the Department of Technology, Saint David's University, Lampeter, Dyfed, SA48 7AD.

UNIVERSITY APPOINTMENTS

University of Rhodesia

CHAIR OF COMPUTER SCIENCE
Applications are invited for a Chair of Computer Science. The successful candidate will be required to teach and supervise students in the field of computer science. The post is full-time and will be based at the University of Rhodesia. Applications should be sent to the Department of Computer Science, University of Rhodesia, Bulawayo, Rhodesia.

University of Bradford

PROJECT PLANNING CENTRE FOR COLLEGES
Applications are invited for a post in the Project Planning Centre for Colleges. The successful candidate will be required to carry out research and development work in the field of project planning. The post is full-time and will be based at the University of Bradford. Applications should be sent to the Project Planning Centre for Colleges, University of Bradford, Bradford, West Yorkshire.

University College Cardiff

POST GRADUATE RESEARCH FELLOW OF LECTURER IN EXPLORATION GEOGRAPHICS
Applications are invited for a postgraduate research fellow or lecturer in exploration geographics. The successful candidate will be required to carry out research and development work in the field of exploration geographics. The post is full-time and will be based at University College Cardiff. Applications should be sent to the Department of Geography, University College Cardiff, Cardiff, Wales.

The University of Leeds

AMENDED ADVERTISEMENT DEPARTMENT OF THE HISTORY AND GEOGRAPHY OF THE
Applications are invited for a post in the Department of the History and Geography of the. The successful candidate will be required to carry out research and development work in the field of the history and geography of the. The post is full-time and will be based at the University of Leeds. Applications should be sent to the Department of the History and Geography of the, University of Leeds, Leeds, West Yorkshire.

UNIVERSITY APPOINTMENTS

University of Western Australia

TEACHING/RESEARCH FELLOW IN FOREST ECOLOGY
Applications are invited for a teaching/research fellow in forest ecology. The successful candidate will be required to teach and supervise students in the field of forest ecology. The post is full-time and will be based at the University of Western Australia. Applications should be sent to the Department of Forest Ecology, University of Western Australia, Perth, Western Australia.

University of Bradford

PROJECT PLANNING CENTRE FOR COLLEGES
Applications are invited for a post in the Project Planning Centre for Colleges. The successful candidate will be required to carry out research and development work in the field of project planning. The post is full-time and will be based at the University of Bradford. Applications should be sent to the Project Planning Centre for Colleges, University of Bradford, Bradford, West Yorkshire.

University College Cardiff

POST GRADUATE RESEARCH FELLOW OF LECTURER IN EXPLORATION GEOGRAPHICS
Applications are invited for a postgraduate research fellow or lecturer in exploration geographics. The successful candidate will be required to carry out research and development work in the field of exploration geographics. The post is full-time and will be based at University College Cardiff. Applications should be sent to the Department of Geography, University College Cardiff, Cardiff, Wales.

The University of Leeds

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TRANSFER BOOKS

THE 600 GROUP LIMITED

Notices are hereby given that the transfer books of the 600 Group Limited are now open for inspection. The books contain details of the company's assets and liabilities. They are available for inspection at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

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A large detached house in a quiet residential area. The house has four bedrooms, a large living room, and a garden. It is available for sale. Contact: 01-234 5678.

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Notice is hereby given that the New South-Western Cement Co. Ltd. is now open for business. The company is a limited liability company and is registered in England. Its registered office is at 1, The Strand, London WC2R 0EL.

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Public Notices

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Notice is hereby given that the Pastoral Measure 1968 is now in force. The measure provides for the appointment of a pastoral measure. It is available for inspection at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

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Two London flats in a modern development. The flats have two bedrooms, a large living room, and a garden. They are available for sale. Contact: 01-234 5678.

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Secretarial and Non-secretarial Appointments

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An Assistant to Financial Directors. The successful candidate will be required to assist the financial directors in their work. The post is full-time and will be based at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

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A career in advertising. The successful candidate will be required to carry out research and development work in the field of advertising. The post is full-time and will be based at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

RESEARCH ASSISTANT

A research assistant. The successful candidate will be required to carry out research and development work in the field of research. The post is full-time and will be based at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

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A new hall in Cambridge. The successful candidate will be required to carry out research and development work in the field of research. The post is full-time and will be based at the company's offices, 600 Group Limited, 600, The Strand, London WC2R 0EL.

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2. State the cost. Readers are more likely to reply if they know the price.

3. Save money with our series plan of five insertions for the price of four. When you have sold the item, ring us to cancel future insertions and you will only be charged for the advertisements published. Remember the fifth insertion is free of charge.

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Commercial and Business market

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